

The NATIONAL UNDERWRITER

The National Weekly Newspaper of Fire and Casualty Insurance

May 30, 1958

62nd Year, No. 22

Hullett Cites Loss Climb, Profit Drop In His NBFU Report

Miller Elected President, Black Vice-President And Harvey Secretary At Annual

NEW YORK—Loss ratios have mounted steadily in recent years, James C. Hullett, president of National Board, told its annual meeting here. In 1957, he said, losses incurred were 63.6%, resulting in an underwriting loss of 5.5%, compared with one of 3.4% in 1956.

Harry W. Miller, general U. S. attorney of Commercial Union-Ocean group, was elected president to succeed Mr. Hullett; Kenneth E. Black, president of Home, was named vice-president, and Lester S. Harvey, president



Harry W. Miller



James C. Hullett

of New Hampshire, was elected secretary. As an economy move the traditional formal dinner was abandoned this year in favor of a luncheon.

In his report, Mr. Hullett pointed out that there had been a 2.6% fire underwriting profit for the period 1952-1956, but by contrast for 1953-1957 the profit was only one-half of 1%, which he called "truly inadequate."

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Hancock Oil Fire Will Total More Than \$10 Million

LOS ANGELES—Total insurance losses arising from the Hancock Oil Co. fire at Long Beach last weekend are inconclusive at this time. The fire was something new in the annals of petroleum losses, setting off a deluge of communicating losses caused by fallout of hot petroleum and smoke directly affecting an eight square mile area in Long Beach. All automobiles and buildings in this area are reported to be directly affected by the fallout.

Hancock plant losses are tentatively estimated at from \$8 million to \$10 million and are reportedly in the Oil Insurance Association through the Will J. Reid agency in Long Beach. Coverage reportedly is adequate on the fire and U&O side. On the liability side, Fireman's Fund is on a single limit liability of \$50,000 covering BI, PDL and products liability.

The fire claimed the lives of two employees and injured eight, which phase of loss will be covered by Pacific Employers for compensation. In addition to the fallout there was some inundation of dwellings adjoining the area. It is estimated there are some 5,000 homes in the eight square miles that are directly affected.

General Adjustment Bureau has a full scale operation going in Long Beach under the general supervision of General Manager Harry J. Boyle of San Francisco and Manager Charles Tandy of Los Angeles.

GAB, up to the night of May 23, had more than 3,000 claims for damages filed as a result of fallout. Newspapers here printed advice to owners of property to file claims where damages to buildings, autos, or property had occurred.

The National Board has declared the Hancock fire disaster 92. The number of claims stood at 8,000 Tuesday afternoon.

Bachman Elected President of GAB

W. L. Nolen, U. S. manager of North British, was elected chairman of General Adjustment Bureau, at the annual meeting in New York. Kenneth B. Hatch, president of Reliance, and John A. North, president of Phoenix of Hartford, were elected vice-chairmen.

R. G. Bachman was elected president of the bureau, Eli Berger secretary-treasurer, and John W. Park, assistant secretary. Mr. Bachman, who succeeds Clinton L. Allen, president of Aetna Fire, as president, has been executive vice-president of the bureau since May, 1956.

This new alignment of the bureau's officers is the result of the board's decision to have company members represented by the chairman and two vice-chairmen, and to make Mr. Bachman the chief operating and executive officer.

Nicholas Dekker, executive vice-president of America Fore, E. H. Forkel, president of National Fire, and William MacLean, president of National Union Fire, were elected directors.

Mr. Bachman began his insurance career in 1926 as staff adjuster for Windle, Burlingame & Dargan, New York. Subsequently he was Florida state agent of Public Fire and then assistant secretary. He joined GAB in 1933 as assistant manager at Memphis, became assistant general manager in 1939, transferred to Atlanta as general manager of the southeast department in 1948 and returned to the head office as assistant to the president in 1955.

\$330,000 Hail Falls At Cheyenne, Wyo.

A General Adjustment Bureau bulletin on the hailstorm May 18 in Cheyenne, Wyo., estimates the insured loss at a total of \$330,000 on 2,700 claims.

The hail fell for 15 minutes or longer and ranged in size from that of marbles to golf balls. The storm entered the northeast section of the city, passed most of the business district and left via the southwest section. Composition roofs suffered heavy damage, glass was broken and siding pitted. Automobile losses are not extensive, GAB says.

There are an estimated 2,500 dwelling losses at \$100 average and 200 mercantile losses at an average of \$400.

Abrams & Bogue, New Ad Agency In Insurance Field

A new advertising agency Abrams & Bogue, has opened offices at 79 Wall street in New York, specializing in insurance advertising and public relations.

Bruce R. Abrams was with Automobile and Aetna Casualty from 1950 to 1956, and since then has been public relations counsel for industrial, consumer and insurance accounts. Most recently he has been a vice-president of Allston Associates.

Robert Bogue was art director and production manager for Allston Associates for 14 years.

Acquisition Cost Factor For Auto PHD Reduced 5%

NAUA Will Use 20% Factor In Rating To Put Members In Better Competitive Position

NEW YORK—National Automobile Underwriters Assn. at its annual meeting here voted to reduce the provision for acquisition cost in its rating formula from 25 to 20%. The revised formula will be used in all future filings.

This action recognizes the extent of recent and prospective rate increases, NAUA stated. It added that the action "also recognizes the fact that an increasing number of insurers are making independent rate filings involving lower expense factors and has the objective of placing its members and their producers in a sounder competitive position."

The auto physical damage experience last year was unprofitable for the insurers, though the losses were by no means as spectacular as those of the auto liability underwriters.

At the annual luncheon of the association here, A. C. Seymour, executive vice-president of Royal-Globe and president of NAUA, introduced those at the head table. They were J. Ross Moore, retired NAUA manager, P. J. Priore, retired head of Sun and past president of NAUA; Ellis H. Carson, former head of National Surety and also a past NAUA president; Kam Tai Lee, commissioner of Hawaii; Charles J. Haugh, Travelers, chairman of NAUA's board; Tudor Jones, Aetna Fire, vice-president of NAUA; Mortimer E. Sprague of Home, treasurer of NAUA; A. L. Polley of Hartford Fire, past president; Howard S. Omsberg, manager; and Julius S. Wikler, New York superintendent.

Sentence Claim Fraud Ring Leaders

John J. Tobin Jr. and Paul E. Shade, who were the leaders in a fraud ring that made off with approximately \$250,000 from American Auto, were sentenced to serve from one to 10 years each in Ohio penitentiary.

Tobin, Shade and a group of 10 to 12 confederates, operating from Youngstown, defrauded American Auto on false accident claims. Tobin was an adjuster for the company.

Tobin failed to show up at a Jan. 6 city council meeting at Youngstown to take the seat he won in last fall's election. A day earlier he and Shade and Allen J. Swaim, who has been sentenced to one to three years in Mansfield Reformatory, fled Youngstown to escape investigation and arrest. Swaim gave himself up at Los Angeles six weeks later. Tobin was captured in Houston Feb. 21 and Shade was captured a month later in Vandalia, O.



M. Storey Lindsay, (left) the outgoing president of Texas Assn. of Insurance Agents, with the new officers, Gordon W. Friedrich, San Antonio, president, Henry Mason, Wichita Falls, vice-president, and Claude L. Webster, Austin, executive secretary. Story on page 2.

Texas Agents Set Record With 1,405 At Houston Meeting

G. W. Friedrich Named President; Progress Of Texas Department Told

HOUSTON—Texas Assn. of Insurance Agents set a new record at the annual meeting here with registration of 1,405. Gordon W. Friedrich, Houston, was elected president, and Henry Mason, Wichita Falls, vice-president.

The convention opened with an address by M. Storey Lindsay, outgoing president, and featured at the first session talks by Penn J. Jackson, chairman Texas board of commissioners; Louie E. Woodbury Jr., Wilmington, N. C., president National Assn. of Insurance Agents; and Wilson C. Jainsen, president Hartford Accident. The second session, which was for members only, included reports by the standing committees and voting for next year's officers.

The final session included a film prepared by General Adjustment Bureau, "Catastrophe 86—Hurricane Audrey," with commentary by J. F. Miazza, general manager southwestern department General Adjustment Bureau; and a panel on "Automobile—1958." Sponsored by Houston CPCU chapter, the panel was moderated by James A. Nicholson, Houston manager North America, and the panelists were Richard T. Kelly, Houston manager American Indemnity; Myron F. Steves, Steves & Co., Houston; and Fred A. Rhodes Jr., partner Julius Levi & Co., Houston.

Topping off the last session was a talk by Ernest R. Rosse, Philadelphia, a humorist and inspirational speaker, who talked on "The Safety Valve of Sanity."

Suggests Agent-Company Cooperation

Mr. Lindsay chose for his topic problems confronting the agency system in its competition with direct writers. He endorsed the NAIA nationwide advertising program as a help to local agents, and suggested that regularly scheduled meetings of agents and company representatives be held for greater cooperation on important issues of mutual concern.

For the local agent himself, Mr. Lindsay outlined ways to insure the best functioning of the agency system and its continued prestige with the public. First—know the insurance business; be able to advise clients about all lines and the best coverage for particular needs. Second—sell quality, not price; never compete with direct writers on price, but stress service and the new coverages continually developed by the stock companies for specific purposes. Thirdly—be confident in the coverage and the company; never apologize for the cost of good protection. Fourthly—be professional; develop clients and accounts rather than customers and sales.

Mr. Jackson, in his talk on "Progress in the State Board of Insurance," reported that "if operations were 60% efficient when we went on the job, we have reached at least an 80% level,

(CONTINUED ON PAGE 27)

Landwehr And Trouble Mix Again

ST. LOUIS—William B. Landwehr, who gave his occupation as a self-employed independent adjuster, was arrested at Clayton, Mo., May 23 on a warrant charging him with "possessing and uttering a forged installment note." Bond was fixed at \$10,000 and he was held at St. Louis county jail at Clayton until he provided bond for appearance to answer at a preliminary hearing May 28.

Earlier on May 23, St. Louis county authorities had obtained another warrant authorizing them to conduct a search of the office of Farmers & Merchants Mutual Fire, the affairs of which had been under investigation by the insurance department, by officials of St. Louis county and reportedly also by the Post Office Department and the FBI. The county authorities seized five filing cabinets of records as well as other material in Landwehr's office. Among the records was a bank statement showing that a checking account of Farmers & Merchants Mutual Fire at a St. Louis bank was overdrawn as of April 30. Also seized were a typewriter and stationery of Capacity Inc. and National Adjustment Co. as well as Farmers & Merchants Mutual Fire. The owner of the building told the authorities that Landwehr was \$100 in arrears in his rent under a lease that will expire June 1. Telephone services in the office was cut off by Southwestern Bell Telephone at 4 p.m. May 23.

Issue Rubber Check Charge

About the same time, it was learned that another warrant had been issued charging "T. C. Ward, c/o Farmers & Merchants Ins. Co." with issuing checks against an account with insufficient funds.

When arrested, Landwehr refused to make any statement, referring all questions to his attorney, William J. Hough.

The forgery warrant against Landwehr was based on an installment note reportedly signed by the M&C Construction Co. of Kansas City, by its partners, "M. H. Silverforb and C. Canida." This note is said to have been offered by Landwehr as collateral for a loan of \$2,994 and was payable to Robert B. Gudder, another Clayton insurance man. The warrant was based on the alleged forgery of the M. H. Silverforb signature. Investigators reported they could not find anyone named C. Canida in Kansas City.

Sought Loan Aid

Mr. Gudder is said to have told investigators that Landwehr approached him last fall with a request for assistance in obtaining a loan from the Hampton Bank of St. Louis. An insurance policy Landwehr said he had issued to M&C Construction Co. was to be collateral. Mr. Gudder said he agreed to help and that he took the

(CONTINUED ON PAGE 6)

Boyd Reelected By Texas Managing GAs

At their meeting in April, Texas Assn. of Managing General Agents reelected the following officers: A. P. Boyd, assistant manager Cravens, Dargan & Co., Houston, president; Frank Quirk, vice-president, and Edward F. Vanston, secretary-treasurer.

April Fire Losses Show 15% Increase

Fire losses in the United States during April amounted to \$99,061,000 National Board estimates. This represents an increase of 15.2% over losses for April, 1957, but is a decrease of 3.6% from losses of \$102,722,000 for March, 1958.

Losses for the first four months of 1958 now total \$405,554,000, still above the \$1 billion a year clip set for the first time in 1957 and an increase of 1% over the first four months of 1957. The figures for the first four months are:

	1958	1957	1956
January	\$99,918,000	\$115,272,000	\$96,972,000
February	\$103,853,000	\$95,569,000	\$84,041,000
March	\$102,722,000	\$104,565,000	\$89,315,000
April	\$99,061,000	\$85,994,000	\$84,624,000
Total	\$405,554,000	\$401,400,000	\$354,952,000

Crum & Forster In Top Staff Changes

Crum & Forster has elected Alexander L. Ross as chairman. William C. Ridgway Jr., formerly chairman and president, was reelected president and continues as chief executive officer.

Reese F. Hill, vice-president in charge of country-wide casualty operations, was named to the board to fill the vacancy caused by the death of Harold Junker.

Thorin T. Grimson, vice-president, was advanced to executive vice-president, and Marc A. Mignogna, assistant treasurer, to treasurer.

Max Heare To Head Office Of Western Adjustment

Western Adjustment has appointed Max M. Heare to the head office in Chicago as assistant manager of the marine division. He joined Western at Indianapolis in 1951 and was marine supervisor there, being succeeded by Robert H. Stuhrenberg, who started with Western in 1948 and was marine supervisor at Columbus prior to his transfer.

Security has appointed William B. Baxter as special agent for eastern New York at Albany.

Officers of Alabama Assn. of Insurance Agents elected at the annual meeting at Birmingham, left to right: First row—Wiley R. Ashley, Montgomery, president; Hayes L. Kennedy, Birmingham, executive secretary; L. J. Thomas Jr., Dothan, outgoing president; second row—Joe E. Cooper, Huntsville, and Robert W. Poellnitz, Tuscaloosa, vice-presidents, and John P. Wilson Jr., Mobile, state national director.



NBFU Seeks Complete Industry PR Program

NEW YORK—National Board is exploring methods to join with casualty, inland marine and ocean marine interests to effect a complete public relations program for all lines of business except life.

In his report to the annual meeting here, Roland H. Lange, vice-president of Hartford Fire and chairman of National Board's public relations committee, said the entire program has undergone reappraisal and that a special subcommittee was appointed to meet with a similar group of Assn. of Casualty & Surety Companies. Pending its report no specific plans have been made for 1958-1959 advertising.

It was recommended that present advertising agency and public relations counselling services be discontinued.

The ultimate objective is a complete program for the business which is no longer marked by its traditional divisions into fire, casualty and marine.

Mr. Lange said stepped up PR activities in the past year included wide distribution of fire safety material, information service to the press, radio, TV and other media to promote a better understanding of the business. He noted the distribution to all news media of information to help the public protect life and property when Hurricanes Audrey and Esther threatened the gulf coast last summer.

Fire safety activities were increased in the three major campaigns. Fire Prevention Week, Holiday Fire Safety Campaign and Spring Clean Up Week, but were not confined to those periods.

Two new films were developed: "Disaster File—Hurricane Audrey" and a TV film, "Above and Beyond"—the latter devoted to the services of the companies through National Board "above and beyond the contract."

National advertising again emphasized the services of the independent local agent or broker and the value of capital stock insurance, and reached an estimated 50 million readers. The under-insurance campaign started in March, 1957 and, running for 13 weeks, had continuing effects throughout the year.

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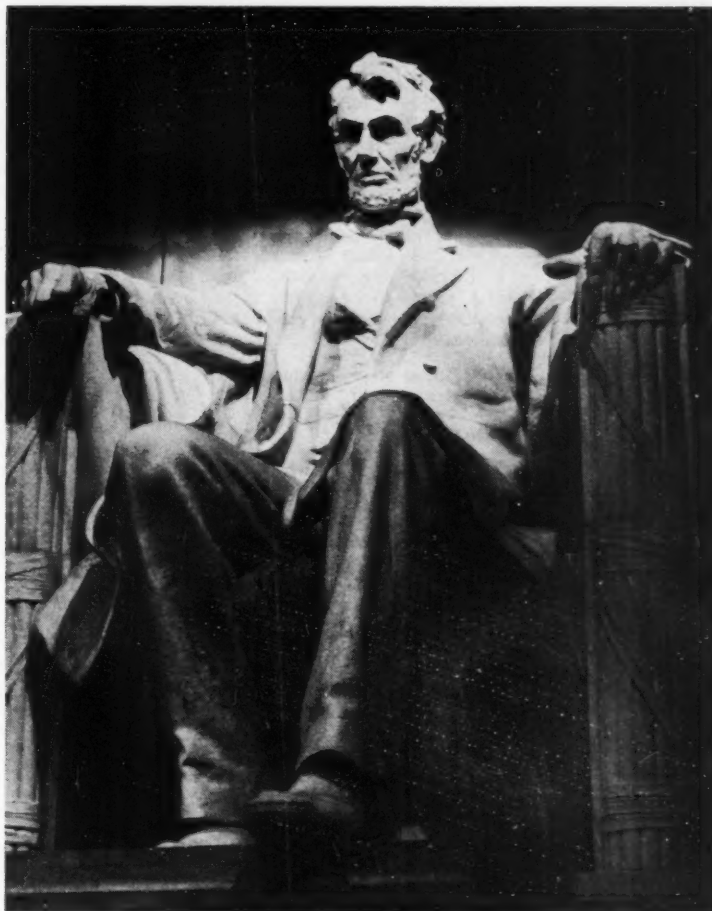
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The mark of a man
is the resolute promise
he makes to himself
"never admit
defeat"



'Tis easy to become discouraged . . . to give up, to admit defeat! Failure to close a sale can often darken the brightest day. Frequently our world collapses in the face of vigorous competition. Even talk of a recession or business decline makes day to day inroads on our spiritual and moral fiber. The little things conquer us most.

But "beauty is in the eye of the beholder." Just as the pioneer paved the way with plough and harrow, the immortal Abraham Lincoln throughout his lifetime fired broadsides of courage for all to see. On two occasions he failed in business. His sweetheart died. He suffered a nervous breakdown. He was defeated for Congress four times. The vice presidency slipped away from him in 1856. *Did he give up?*

Pioneering isn't in the remote past . . . it is a state of mind. The ability to carry on in the face of defeat is the mark of a man. It is the element which makes the salesman a producer, the printer a craftsman, the violinist a musician.

Stand ready, alert, vigilant and watchful . . . and the victories of selling will outnumber the defeats as the stars outnumber the planets. *Never admit defeat!*

Write for our new Lloyd's booklet
— just off the press. It will guide
you to new horizons in selling!

Insurance at



We serve agents, brokers
and insurance companies.
No direct business, of course!

REINSURANCE EXCESS AND SURPLUS LINES
LEO B. MENNER & COMPANY, INC.
BOARD OF TRADE BUILDING 141 WEST JACKSON BOULEVARD • CHICAGO 4
PHONE • WEBSTER 9-7565

Ill. Bureau Elects, Hears Call For Rate Law Changes

C. M. Fish, Freeport Ins. Co., was elected president of the 33-member Illinois Bureau of Casualty Insurers recently at the annual meeting in Springfield. His associate officers are: 1st vice-president, C. L. Morris, Illinois National; 2nd vice-president, L. E. Sanford, Preferred; secretary, J. E. Faust, State Auto, and treasurer, C. H. Neyhart, Economy Fire & Casualty. Mr. Morris was in charge of arrangements for the program.

Director Joseph S. Gerber of Illinois in his remarks offered some statistics on insurance in the state, saying the department now has 135 employees, and the increase in staff has allowed the department to increase its examinations from 62 in 1956 to 115 in 1957. In 1956 there were 1,132 companies admitted in Illinois and 51 more have been admitted since, the director said. Premium volume has increased from \$1,752,000,000 in 1956 to \$1,900,000,000 in 1957.

Feels Reforms Are Needed

Mr. Gerber said he feels reforms are needed in credit life, in surplus requirements and in agent and broker licensing. He commented also that too much "choosiness" in selection of business is not in the public interest.

In his report as actuary, Robert J. Icks said 1957 was the worst year in history from an underwriting standpoint, the member companies having combined underwriting loss of \$3½

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2,000 At NFPA Chicago Annual

Fire is one of the major hazards in the event of nuclear attack and there are many simple steps householders can take to reduce the danger, Kyle P. Laughlin, fire research analyst of the Federal Civil Defense Administration declared at the annual convention of the National Fire Protection Assn. at Chicago.

The gathering of more than 2,000 also heard Captain E. A. Tappe, chairman of the cargo safety committee of Air Line Pilots Assn. explain that disturbing fire hazards ride commercial planes because of the ignorance of both passengers and air line personnel.

Fire Chief New President

Henry G. Thomas, chief of the Hartford, Conn., fire department was elected president and became the first fire chief to head NFPA. Richard E. Vernor, manager of the fire prevention department of Western Actuarial Bureau, was reelected chairman, and all other officers and directors were elected as nominated and reported in the April 11 issue of THE NATIONAL UNDERWRITER.

Mr. Laughlin said that the blast effects and radioactivity of nuclear weapons overshadow their ability to start fires. He noted that tests have shown that if areas around houses and other buildings are kept free of combustible material, the structures will not catch fire from radiation if they are beyond the range of complete blast damage and in good condition. He urged elimination of exterior kindling fuels and adoption of safeguards for combustibles stored inside. Common

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Sees Early Ruling On N. Y. Auto Rates

William Leslie, retired general manager of National Bureau of Casualty Underwriters, said a ruling on the disapproval of auto rate increases in New York may be handed down by the appellate court in June.

In his talk at the 60th anniversary luncheon of Insurance Brokers Assn. of New York State in New York City, Mr. Leslie humorously described himself as a "quitter" for leaving the business in its unprecedented state of "chaos and uncertainty" and regretted passing the buck to a successor—his son, William Leslie Jr.

A capacity crowd, representing 75 brokerage firms and companies, also heard Julius Wikler, superintendent of insurance, declare that effective operation of the compulsory law is imperative and requires the support and cooperation of everyone in the business if automobile insurance is to be kept in the sphere of free enterprise where it belongs.

Mr. Leslie referred ruefully to the automobile rate controversy in New York and said he hoped other states would not undergo the same long drawn out procedure. He declared that much of the difficulty over rates in New York stemmed from an article in the New York Times, prior to the bureau filings, which provoked letters from the public to the superintendent and colored the issue. Similar articles under the same circumstances have appeared in other states, he said, through the zeal of "enterprising reporters."

Yet, Mr. Leslie said, turnouts were pathetic at public hearings on rate increases in New Jersey, Colorado and Utah, where not a single member of the general public appeared, and in Georgia, where two people showed up not to complain about auto but about fire rates. He said this indicated lack of public opposition to the specific bureau filings.

Mr. Wikler recalled the gaps in the compulsory law noted by Gov. Hariman when he signed it, and reviewed the Steingut bill which creates Motor Vehicle Accident Indemnification Corp. to protect victims of uninsured, stolen car and hit and run drivers.

Edmund Sinnott, C. R. Black Jr. Corp. New York City, president of the association, presided.

Coast Companies And Producers To Meet

Plans are under way to hold a joint meeting of stock companies and producers' organizations, as suggested last month by Ben Breit, president of Insurance Brokers Exchange of California, to discuss current problems in the business, particularly costs of companies and producers.

James T. Blalock, Pacific Indemnity, president of Pacific Coast Advisory Assn., has informed Mr. Breit that his association has invited California Assn. of Insurance Agents, Society of Insurance Brokers of San Francisco, and the Insurance Brokers Society of Southern California to participate in such a meeting.

The proposal arises out of the recent cut in commissions and the increased costs of doing business. When such a meeting is held the main topics will be commissions, costs, and merit-rating for private automobiles.

Mr. Breit had previously suggested a similar meeting with the member companies of National Bureau on a nationwide scope.

Bigness Blocks Good Communications, White Tells Agents

Because insurance, along with other businesses, has been growing in recent years, those in the business don't have time to visit as they used to, and this is the principal cause of the current unpleasantness, Morton V. V. White of Allentown, Pa., NAIA executive committee member, told the annual meeting in Hot Springs of Arkansas Assn. of Insurance Agents.

He said he could remember when the president of any one of the companies he represented knew all of his special agents. He bet 10 to 1 that most company presidents would be hard put today to name 75% of their field men.

"Nothing Wrong With Bigness"

There is nothing wrong with bigness if it is controlled, he believes. Time was when executives of the leading insurers convened frequently and at length. Today if 10 of them spend a day together, it has to be arranged two months in advance, and they have a flight schedule in their hands while they meet. Because of bigness, it may be a couple of weeks before the company representative who attends a bureau meeting can get his memorandum read by the president.

The rating bureaus executive committees of company representatives do not meet often enough, he declared. What is their purpose? To keep bureau folks in tune with company thinking. But who conducts the research and agrees on a new form to be filed?—another crowd who may sit in another batch of meetings three months previous. Mr. White wondered how a bureau's executive group can properly transmit the atmosphere of the research group to the slide rule boys in the stamping office.

Then when the rates are filed, a problem often arises because of the failure of company representatives to meet with the commissioner himself. If the right people fail to sit down together and talk over the filing, it can become the subject of a hearing and even wind up in court, he stated.

"What has become of the old camaraderie that used to exist between us and our field men?" he asked. He recalled the days when agents took a favorite special agent home for dinner. There is no substitute for that kind of closeness in bringing about under-

(CONTINUED ON PAGE 21)



**American Equitable Assurance Company
of New York**
Organized 1918

Globe & Republic Insurance Company of America
Established 1862

**Merchants and Manufacturers Insurance Company
of New York**
Organized 1849

New York Fire Insurance Company
Incorporated 1832

CORROON & REYNOLDS GROUP
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INSURANCE STOCKS**

Life-Fire-Casualty

Cartwright, Vallean & Co.

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You may telephone orders collect.

Realign Top Officer Staff Of Leading Kemper Companies

James S. Kemper now is chairman of the board of Lumbermens Mutual Casualty and American Motorists and is succeeded as chairman of the companies by Hathaway G. Kemper, formerly president. Royce G. Rowe, previously senior vice-president in charge of claims, becomes deputy chairman. Norris C. Flanigan has been named president and is succeeded as executive vice-president by Martin B. Weber, who had been senior vice-president in charge of underwriting. James S. Kemper outlined for the directors the companies' growth and



James S. Kemper



H. G. Kemper



Royce G. Rowe

development program calling for an expenditure of more than \$9 million "to take care of the expanding business and further to modernize existing facilities."

First quarter premiums for the five Kemper companies increased \$5,747,000



M. B. Weber



N. C. Flanigan

over the same period in 1957. Net premiums for the quarter amounted to \$58,783,000 for the four casualty and fire companies and \$825,000 for Fidelity Life of Fulton, Ill.

"During the quarter, expenses were in line with 1957 experience," Mr. Kemper said, "and loss ratios were slightly improved but again evidence the need for rate revisions upwards in many areas."

Coombs Is V-P Of Security

Security has appointed William N. Coombs vice-president and manager of the claim and loss department.

New York Fire Insurance Rating Organization's 25 year club of the New York City division has elected Robert D. Knapp Jr. president. Other officers are Edward J. Fiore and Thomas O. Williams, vice-presidents; Miss Alice Franklin, secretary; Miss Frances Rieder, treasurer, and Edward M. Kaleds, sergeant-at-arms.

Big Changes In Michigan Blue Shield Benefits

The Michigan department has approved a broadened service by Michigan Medical Service (Blue Shield). The changes embody many of the recommendations obtained from the public through a comprehensive medical care survey conducted last year by Michigan Health Council.

The new plan offers more realistic income ceiling contracts which give full payment for surgical, in-hospital medical care and obstetrical deliveries for the majority of Blue Shield subscribers whose annual wages do not exceed \$7,500.

Four separate income ceiling plans are provided, one at \$2,500, another at \$5,000, a third at \$7,500 and the fourth, under which additional fees may be assessed subscribers, for members earning more than \$7,500. The income category is determined by employer reports of salaries paid. Participating doctors agree to accept as full payment the benefits provided under the first three contracts.

New benefits provided on a "share-the-cost" basis include diagnostic laboratory services in doctor's office or the hospital out-patient department; diagnostic X-ray; radiology services utilizing accepted therapy for treating malignancies; payment to a doctor assisting a surgeon in hospital operations; payment for medical consultation when a hospital patient.

Northern Illinois Adjusters Assn. will hold its annual summer stag in Rockford, Ill., at the Mauh-Nah-Tee-See country club July 16.

LONG TRUCKING HAUL SERVICE

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CARGO-COLLISION**

OUR PACKAGE POLICIES
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1848

Ohio Farmers Companies

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OHIO FARMERS INDEMNITY COMPANY

Le Roy, Ohio

THE COMPANIES WHOSE SLOGAN IS *The Insurance Agent is a Good Man to Know*

W. B. Landwehr In Trouble In Missouri

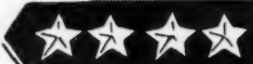
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GENERALLY SPEAKING



there's no
customer like
a satisfied customer.



And for many of your clients, there's no policy like a comprehensive general liability policy. Compact, complete protection makes the comprehensive general a natural for the client with too many policies and too many gaps in coverage.

A London and Lancashire fieldman will be happy to help in reviewing your present commercial accounts and prospective ones. His recommendations are objective, too, for the London and Lancashire Group writes all lines but life.



A firm friend
of the
American Agency System

LONDON & LANCASHIRE GROUP

THE LONDON & LANCASHIRE INSURANCE COMPANY, LTD.
SAFEGUARD INSURANCE COMPANY
STANDARD MARINE INSURANCE COMPANY, LTD. (Fire Department)

20 Trinity Street, Hartford, Connecticut
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note given by Landwehr and endorsed it to the Hampton Bank. A check he received from the bank was then endorsed to Landwehr. When an installment due on a note was not paid about Feb. 1, the bank notified Mr. Gudder of the default. Landwehr, who accompanied him to the bank, was recognized by a bank official and the loan was immediately called for payment. Mr. Gudder paid the note in full.

An investigation which followed reportedly failed to reveal evidence of an M&C Construction Co. in Kansas City. Moss H. Silverforb, a Kansas City attorney, is said to have told investigators that he knew Landwehr but added that he knew of no M&C Construction Co. and had not signed the note for Landwehr.

Affairs Further Raveled

The complicated business affairs of Landwehr have been further raveled by the existence of two Missouri insurers, both known as Farmers & Merchants Mutual Fire and both organized under a state law, since repealed. The operations of both presumably were to be limited solely to the county of origin and contiguous counties. Such county mutuals, under the old law, were not subject to department supervision. One of the insurers was organized in St. Louis in 1946 and within a year or two had been acquired by Landwehr, but it is reported that at a stockholders' meeting in January of 1950 it was voted to dissolve this corporation. The department records show the corporate existence ended March 10, 1950.

The other company was incorporated at Kansas City in 1942 and reportedly was controlled by Mr. Silverforb as vice-president and secretary. Mr. Silverforb is said to have admitted that he entered into a deal with Landwehr in March of 1957 to sell him the charter of Farmers & Merchants Mutual Fire of Kansas City for \$2,500, but only gave him the bill of sale, holding the charter until the \$2,500 was paid in full.

There was reported to have been a number of complaints within the last few months that a certain "Merchants

Mutual Fire" was not paying claims, the complaints coming from as far away as Hawaii, South Dakota and Wyoming.

Landwehr is no stranger to difficulties with state insurance officials. In 1950 he was fined \$800 when he pleaded guilty to four charges of acting as an agent without a license and with being an agent for companies not licensed in Missouri. He was sentenced to serve one year in the city workhouse at St. Louis, but the sentence was suspended and Landwehr was placed on probation for two years. In 1956, Landwehr was jailed for four days in Indianapolis for contempt for failure to file a sworn list of assets and liabilities of Midwest Ins. Co. of which he was treasurer and principal stockholder. Midwest is now defunct after having paid only a fraction of the money it owed.

The penalty for conviction of forgery in Missouri ranges from between two to 10 years in prison if the offense is prosecuted as a felony, or up to one year in jail or a fine of up to \$1,000, of both, if prosecuted as a misdemeanor.

Pacific Indemnity Elects Four New V-Ps

Pacific Indemnity has named Donald K. Kyler, John H. Archer, Byron G. Drummond, and John Haster vice-presidents. Mr. Kyler was an assistant vice-president; the others were officers of Swett & Crawford, whose outstanding shares have been purchased by Pacific Indemnity.

Net premiums written in the first quarter of the year, after reinsurance, amounted to \$9,061,350, up 18.6% from the \$7,638,207 written in 1957. Net premiums earned came to \$8,309,890 compared to \$7,234,988 or 14.8% last year.

Operations during the first quarter produced a net loss of \$321,869 compared with a loss of \$228,618 in 1957.

Atlanta Area Assn. of Independent Insurance Agents was host at its May luncheon meeting to Atlanta Insurance Women's Club in recognition of National Insurance Women's Day.

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AIU Names Alward Fire Claim Manager

Philander Alward has been named fire claims manager of American International Underwriters and its U. S. affiliates to succeed William B. Kelly Jr., who is assuming underwriting and production duties.

Mr. Alward was in the brokerage business for five years, starting in 1930. He then became a special representative of Improved Risk Mutuals and later was agency supervisor and

executive underwriter of Stuyvesant. In 1940 he was named metropolitan fire manager of Atlantic Mutual. He joined AIU in 1946 and was named senior fire underwriter for the Philippines a year later. He was subsequently in France, Belgium and Holland. In 1949 he went to American International Re of Bermuda to develop activities in Cuba and Venezuela. In 1950 he was named vice-president of AIU Japan. Four years later he went to Hongkong, where he became underwriting supervisor of fire insurance operations in the far east.

Hartford Fire Has Budget Pay Plan

Hartford Fire is introducing a new monthly premium payment plan with the feature of easily computed equal premium payments on a 10 or 30 month basis.

Simplicity is the keynote of the plan, which offers 10 equal monthly payments for policies with terms of one year or more, and 30 equal consecutive payments for policies running three years or longer. The first equal

payment is considered a down payment to be applied against the total balance.

Designed for use with fire and casualty policies covering residential, commercial and industrial accounts, the plan, unlike many others, is offered at a charge much less than that usually associated with deferred payment plans, the charge rarely exceeding the customary 6%.

Since each premium account is treated as a cash transaction, agents are relieved of all collection and bookkeeping responsibilities. These are assumed by established central processing and collection stations through arrangements with member companies of the group.

Simple Formula Provided

A simple formula for payment computation is provided in the plan to eliminate the need for rate charts and premium payment tables.

Policyholders are furnished a book with separate coupons, each of which indicates the amount of the payment, due date, and the address to which payments are to be sent.

Hartford Fire is distributing an attractive premium payment plan sales kit to its agents with complete information, instructions, promotion literature, sample forms and other items.

The plan, it is explained, will not only help insured meet his premium payments, but it will also free agents' time for new account selling.

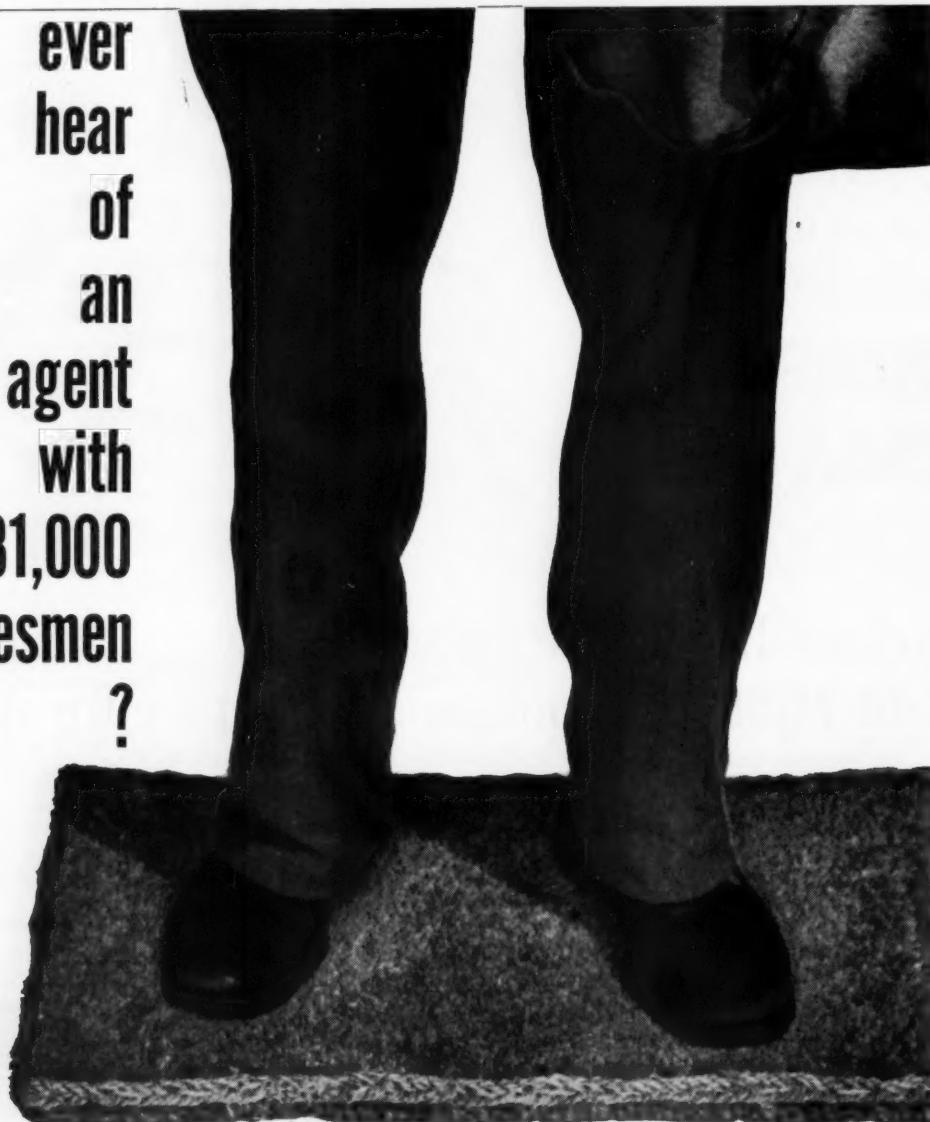
The Hartford group's monthly premium payment plan is available throughout the United States with the exception of Texas, Ohio and Virginia where approval is pending.

Great American Clubs Meet

The New York chapter of Great American Quarter Century Club held its 20th anniversary meeting at Hotel Edison. Other chapters met at Chicago, San Francisco, Boston, Dallas, Raleigh and Toronto.

The club has 414 members, 273 of whom are active employees and 141 retired. Elected to the New York board of governors were Leslie R. Meyers, president; Claire C. Lill, vice-president; Emily J. Redlich, secretary, and Isabella C. Graham and Edmond C. McDonald, governors-at-large.

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Minn. Federation Comments On WC Court Decision

MINNEAPOLIS—A workmen's compensation decision of concern to the construction industry as well as insurance companies has been appealed to the Minnesota supreme court and has a far-reaching effect on contractors' liability under the workmen's compensation law of Minnesota.

As explained in a bulletin of Insurance Federation of Minnesota, under Minnesota statutes if an employee is injured in the course of his employment through the negligence of someone other than his employer he may collect workmen's compensation from his employer. If the negligent third person causing his injury is not engaged in the furtherance of a common enterprise with his employer, the employee may also proceed against such person on account of his common law liability, collect from him and return to his employer what he has received in workmen's compensation. But he cannot proceed against both the negligent third person and his employer if they are engaged in a common enterprise.

In the case involved, the workman was employed by a plumbing firm on a job for a mining firm in northern Minnesota. American Bridge division of U. S. Steel Co. was the steel erector on the project. The employee was injured by a load of steel of the bridge firm slipping and striking him. The employee proceeded against his employer for workmen's compensation and then sued the bridge firm for his injuries on account of its negligence, claiming that his employer and the bridge firm, although each was performing work in connection with the project, were not engaged in a common enterprise.

"This doctrine, if pursued, would result in utter chaos in the construction industry where so many different employers are involved as subcontractors on a particular job," the federation bulletin says. "Each subcontractor, under the decision would be liable under his common law liability if his negligence caused the injury of the employee of another subcontractor."

All American Life & Casualty has been licensed in New Mexico.

Streeter Is Associate Manager Of Hartford Fire At Bridgeport

Hartford Fire has appointed Ronald M. Streeter as associate manager at Bridgeport, Conn., effective July 1. He is now assistant manager at Cleveland.

He joined the company in 1941 in the home office liability department, and was later an instructor at the training center at Hartford.

Repair Costs, Not Deaths, Raise Auto Rates: Kemper

Improved medicines and treatments, expensive car design, spiraling wages and increasing accidents—not fatalities—were cited recently as the main causes of higher automobile insurance rates by Hathaway G. Kemper, president Kemper group, at a meeting of agents in Los Angeles "Traffic fatalities show a gratifying decrease in many areas, but non-fatal injuries and property damage mounts," he said.

Mr. Kemper pointed out that wage rates have gone up 231.7% since 1937, and medical care has risen similarly, with hospital room costs alone going up more than 200%. Also, wholesale prices in general have gone up 105.9% in the past 20 years, "but in the same period our automobile insurance rates across the country have gone up an average 32.4% despite improved coverage and expensive-to-repair cars."

A new automobile in 1957 cost 139% more than one in 1942. A front fender now costs 135% more; headlamp assemblies 127% more; and windshields show the most startling increase, 373%, he declared.

"If the public would concentrate more on reducing accidents and injuries—not just fatalities—and the other real influences on insurance rates," Mr. Kemper concluded, "the companies would not have to petition state insurance departments so often for increased rates."

Sponsor Drive To Engrave Hubcaps

Lafayette Ind. Assn. of Insurance Agents, Greater Lafayette Gasoline Assn., and Lafayette and West Lafayette police departments are sponsoring a drive to engrave hubcaps to reduce excessive hubcap larceny. During 1957, more than \$4,500 worth of hubcaps were stolen and prosecution was nearly impossible because the stolen caps could not be identified. A similar plan in Indianapolis has resulted in a 50% decrease in hubcap larceny.

Insurance and Reinsurance

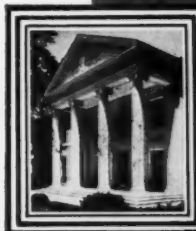
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- June 1-4, Insurance Accounting & Statistical Assn., annual, Sherman hotel, Chicago.
June 2-3, Eastern Underwriters Assn., midyear, Whiteface Inn, N. Y.
June 6-7, Pennsylvania Claim Men's Assn., annual, Bedford Springs, Pa.
June 8-10, Maryland Assn. of Insurance Agents, midyear, Commander hotel, Ocean City.
June 8-11, Conference of Mutual Casualty Companies, management conference, Grove Park Inn, Asheville, N. C.
June 9-10, Georgia Assn. of Mutual Insurance Agents, annual, King & Prince hotel, St. Simons.
June 9-11, Southeastern Underwriters Assn., annual, The Homestead, Hot Springs, Va.
June 9-13, National Assn. of Insurance Commissioners, annual, Conrad Hilton hotel, Chicago.
June 11-12, Wisconsin Assn. of Mutual Insurance Agents, annual, Schwartz hotel, Elkhart Lake.
June 11-14, International Assn. of A&H Underwriters, annual, Statler hotel, Los Angeles.
June 11-14, National Assn. of Public Insurance Adjusters, annual, Hotel Traymore, Atlantic City, N. J.
June 12-14, Mississippi Assn. of Insurance Agents, annual, Edgewater Gulf hotel, Edgewater Park.
June 12-14, North Carolina Assn. of Mutual Insurance Agents, annual, Grove Park Inn, and Fairway Lodge, Asheville.
June 15-17, New England Assn. of Insurance Agents, annual, Lake Tarleton Club, Pike, N. H.
June 19-20, Delaware Assn. of Insurance Agents, annual, Hotel Henlopen, Rehoboth Beach.
June 19-21, Georgia Assn. of Insurance Agents, annual, General Oglethorpe hotel, Savannah.
June 22-25, Insurance Advertising Conference, annual, Clauson's Inn, North Falmouth, Mass.
June 24-27, National Assn. of Insurance Women, annual, Statler Hilton hotel, Detroit.
June 29-July 2, Virginia Assn. of Insurance Agents, annual, Cavalier hotel, Virginia Beach.
June 30-July 2, Virginia Assn. of Insurance Agents, annual, Cavalier hotel, Virginia Beach.
Aug. 10-13, West Virginia Assn. of Insurance Agents, annual, Greenbrier hotel, White Sulphur Springs.
Aug. 20-23, Federation of Insurance Counsel, Fairmont hotel, San Francisco.
Aug. 21-23, Louisiana Assn. of Mutual Insurance Agents, annual, Edgewater Gulf hotel, Edgewater Park, Miss.
Aug. 21-23, Montana Assn. of Insurance Agents, annual, Northern hotel, Billings, Mont.
Aug. 24-28, Section on insurance negligence and compensation law, American Bar Assn., Ambassador hotel, Los Angeles.
Sept. 4-5, Conference of Mutual Casualty Companies, sales and agency conference, Conrad Hilton hotel, Chicago.
Sept. 8, Vermont Assn. of Insurance Agents, annual, The Lodge, Smugglers Notch, Stowe.
Sept. 8-9, New Jersey Assn. of Insurance Agents, annual, Traymore hotel, Atlantic City.
Sept. 14-16, Minnesota Assn. of Insurance Agents, annual, Hotel St. Paul, St. Paul.
Sept. 16-18, Wisconsin Assn. of Insurance Agents, annual, Schroeder hotel, Milwaukee.
Sept. 16-19, Mutual Loss Managers' Conference, annual, Statler hotel, New York City.
Sept. 17-19, Michigan Assn. of Insurance Agents, annual, Pantlind hotel, Grand Rapids.
Sept. 19-20, Utah Assn. of Insurance Agents, annual, Utah hotel, Salt Lake City.
Sept. 22-24, International Claim Assn., annual, French Lick Springs hotel, French Lick, Ind.
Sept. 22-25, Assn. of Superintendents of Insurance of the Provinces of Canada, annual, Empress hotel, Victoria, B. C.
Oct. 3-8, Conference of Mutual Casualty Companies, annual, Chalfonte-Haddon Hall, Atlantic City.
Oct. 6-7, Conference of Actuaries in Public Practice, Morrison hotel, Chicago.
Oct. 6-8, National Assn. of Insurance Agents, annual, New Orleans.
Oct. 19-21, Illinois Assn. of Insurance Agents, annual, Morrison hotel, Chicago.
Oct. 19-21, Maryland Assn. of Insurance Agents, annual, Emerson hotel, Baltimore.
Oct. 19-21, Missouri Assn. of Insurance Agents, annual, Coronado hotel, St. Louis.
Oct. 20-21, Insurers of Tennessee, annual, Claridge hotel, Memphis.
Oct. 20-22, Western Underwriters Assn., annual, Greenbrier hotel, White Sulphur Springs, W. Va.
Oct. 20-22, National Assn. of Mutual Insurance Agents, annual, Commodore hotel, New York City.
Oct. 27-29, California Assn. of Insurance Agents, annual, Sheraton-Palace hotel, San Francisco.
Oct. 27-29, Health Insurance Assn., individual insurance forum, Drake hotel, Chicago.
Oct. 28-29, Massachusetts Assn. of Insurance Agents, annual, Sheraton Plaza hotel, Boston.
Nov. 20-21, Conference of Mutual Casualty Companies, accounting and statistical, office methods, and personnel conferences, Conrad Hilton hotel, Chicago.

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Anti-Trust Head Cautions States On Competitive Blocks

In his talk on "Anti-trust and Insurance" at the American Management Assn. insurance conference at New York, Victor R. Hansen, assistant U. S. Attorney-General in charge of the anti-trust division, emphasized recent attempts in several states, either by proposed legislation or by state regulation, to require complete uniformity in rates and policy forms.

Mr. Hansen said: "I do not wish to express any opinion as to the merits or validity of any specific state action. However, to the extent that the state imposes strict conformity upon the insurance industry and eliminates or greatly restricts the area for independent action in rates and methods of operation, the underlying purpose of the McCarran act—which is to preserve and protect healthy competition in the insurance industry—becomes undermined."

Coercive Actions Noted

He said that in addition to the coercive actions of lenders and insurance boards, his division is also concerned with acts of coercion, intimidation and boycott in the activity of rating bureaus and their associated advisory bodies, but he emphasized that the anti-trust division has no intention of encroaching upon those matters which are properly state regulatory problems. "Instead, it is our intention to be helpful to the insurance industry by pointing out pitfalls and areas of possible violation," Mr. Hansen declared.

He referred to a recent writer who described the antagonism of some rating bureaus toward attempts of their members or subscribers to deviate from the established rates and to pass on to the insuring public the results of economies in operation. "If carried too far, such conduct may be regarded as coercive, and thus interdicted by the anti-trust laws. Examples of unreasonable interference with the right of an insurer to act independently in the matter of rates and rating practices might include harassing litigation, collective pressure upon lenders not to accept the policies of deviating companies, and collective attempts to deny the insurer access to statistical and rating services generally available to other insurers," Mr. Hansen asserted.

"With respect to these rating bureaus and their advisory bodies, it should be

Employer Describes How WC Coverage Turns Into A&S

The increasing "social-concept" interpretations by the courts are converting the Arkansas workmen's compensation law from compensation of disability resulting from employment to a general sickness and accident policy, Carl R. Stout, works manager of Aluminum Co. of America at Bauxite, Ark., warned in an address before the convention of Arkansas Assn. of Insurance Agents at Hot Springs.

Refers To Court Decision

Referring to the decision of the state supreme court in the Bryant Stave & Heading Co. case, the courts have so enlarged the definition of "accidental injury" that many claims are being paid under compensation for injuries which patently have no connection with an employee's work, he said. The court, he said, has defined "accidental injury" as compensable and arising out of employment "when the required exertion producing the injury is too great for the person undertaking the work, whatever the degree of exertion or the condition of his health, provided the exertion is either the sole or a contributing cause of his injury."

"Sounds all right, doesn't it?" Mr. Stout remarked. "But suppose you have a secretary with a heart condition. It may, or it may not be known to you. One morning, while typing, she suddenly takes ill, goes to the hospital and dies. Can you prove that the exertion of typing was insufficient to induce cardiac failure? I think you may have a big job using the supreme court's definition, 'whatever the degree of exertion.'"

"Again suppose you are a manufacturer. Your employe strains his back while moving some furniture over the weekend. He comes in on Monday morning and a short while later complains that he has hurt his back 'this

(CONTINUED ON PAGE 22)

noted that when an out-of-state insurance organization recommends the adoption of rates or standardized provisions in insurance underwriting in a state in which it has not filed as a rating bureau or as an advisory body, it may be engaged in illegal activities, and the acceptance of these recommendations by the local rating bureau may result in illegal price-fixing or other unreasonable restraints of trade."

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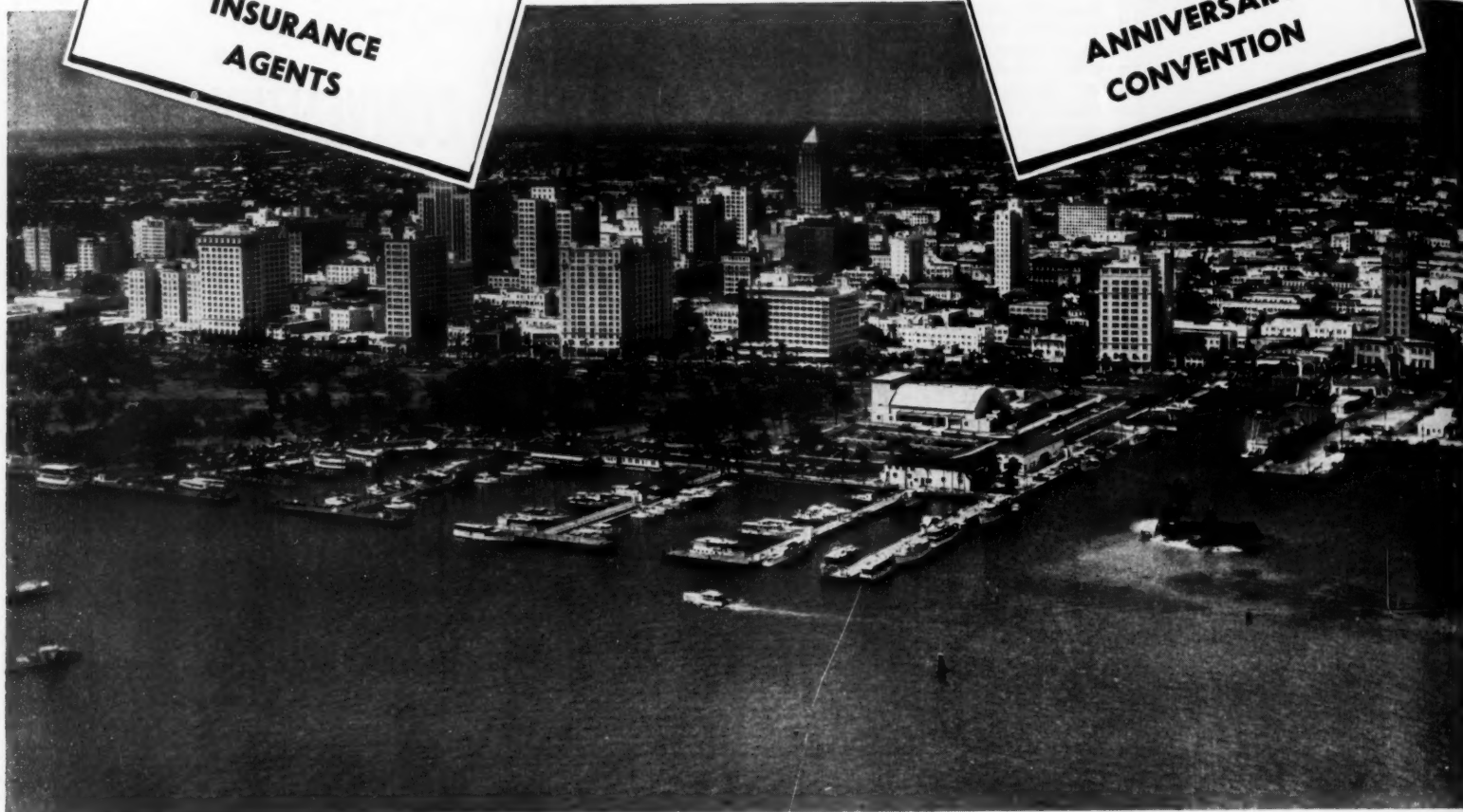
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Agency Operations Session Full Of Constructive Ideas

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Florida Assn. of Insurance Agents, in its annual meeting at Miami Beach last week, staged what has become almost a tradition—a sparkling, constructive forum on insurance agency operation. Titled this year "101 Ways to Reduce Expenses, Increase Profits and Stay Out of Trouble," the forum was led masterfully by Dave Johnson, Pensacola, who was elected president the following day. Participants were E. F. Cannon Jr., Gainesville, immediate past president; F. O. Pruitt Jr., Miami; M. E. Reynolds, Miami; L. U. Hutchinson, Orlando, the new second vice-president, and Robert Ross, Ft. Lauderdale.

Speaking on agency management, Mr. Ross, whose office is in a low rated territory and who must build his volume by many small premiums, said the important feature is time and personnel control. Adequate records are essential—not only for efficient operation, but also to keep out of trouble with the government—but too many records are wasteful. Mr. Cannon showed and explained the forms he uses. On renewal premiums of less than \$25, with no other business from the insured, Mr. Cannon's office sends renewal premium notices and does not renew unless it gets the premium in advance or specific instructions from the insured. A central credit bureau at Gainesville has been helpful in reducing credit losses and Mr. Cannon said he is not afraid to use the small claims court to collect from delinquent policyholders.

Don't Have Too Many Companies

Mr. Cannon warned against having too many companies in an agency. He recently secured an account which had been covered by 16 policies and rewrote it in one contract. The premium was the same, but the customer is much happier and Mr. Cannon knows he will make more money on it than his competitor did. He urged watching commission differentials among companies and never letting an office girl decide where to place business. Instead of letting a friendly field man influence her, the agent should make those decision and watch for commission advantages.

Mr. Pruitt discussed agency ownership, particularly of expirations. He said the agent has the law on his side, but he should never take anything for granted and should be sure his contract with each company fully protects him. Contracts among different companies are not alike and each should be reviewed regularly.

Relations with solicitors have caused many problems and Mr. Pruitt said there should always be a written binding contract covering everything, including basis of compensation, ownership of expirations and, perhaps most

(CONTINUED ON PAGE 16)

Officers of Florida Assn. of Insurance Agents, from the left: N. D. Coates, Miami, the new 1st vice-president; E. F. Wise, Orlando, the outgoing president, passing the gavel to his successor, Dave Johnson, Pensacola.



Larson Wins Acclaim From Agents As Leaders Discuss Major Issues

A high point of the annual meeting of Florida Assn. of Insurance Agents at Miami Beach last week occurred at the opening general session Friday morning, with the discussion on "The Industry—The Present—The Future." Commissioner J. E. Larson ably defended his administration and state supervision in general and was given a great ovation. Other aspects of the present situation were developed by W. C. Jansen, president Hartford Accident, Superintendent A. I. Vorys of Ohio and A. M. O'Connell, Cincinnati, past executive committeeman National Assn. of Insurance Agents.

Mr. Larson, who is liked and respected by the Florida agents, devoted much of his talk to the proposed recodification of Florida insurance laws. He said that, after the last session of the legislature voted an appropriation for a study of insurance legislation, the insurance department engaged Robert Williams, Seattle, an acknowledged authority on the subject, to assist in drafting a new code. Public hearings have been held throughout Florida and the results will be presented at the next session of the legislature.

Wants Financial Interest Clause

Although he did not say so specifically, Mr. Larson in effect answered his recent critics by pointing out that for a long time he had advocated a passage in the proposed code which states flatly that the commissioner, any deputy, examiner, assistant or employee shall not be financially interested, directly or indirectly, in any insurer, insurance agency or insurance transaction except as a policyholder or claimant.

On the constructive side, Mr. Larson said the investigation of overcharges on collision insurance by automobile finance insurers which his department initiated resulted in over \$337,000 refunds to insured. He said that U. S. Sen. Monroney wrote the Florida department that its work served as a model for other states. He also pointed out that the Florida regulations on admission of companies and recognition of non-admitted insurers have become nationally recognized. A company may not be admitted in Florida until it has been in business for at least three years and the same basic minimums apply to non-admitted companies. The Florida department

was the first to recommend a fictitious group law to the legislature. On agents qualifications, Florida requires 240 hours of class work before a candidate may take the examination, compared with 90 hours in New York and California, the runners-up in stringent requirements.

Pointing out that he and his associates have been criticized for allowing justified automobile rate increases, Mr. Larson said that these critics ignored the decreases in fire and extended coverage rates, which will save Florida insured about \$4 million. The automobile increase was not only defensible, but desperately needed. Mr. Larson recited underwriting loss figures, Florida and countrywide, of 12 leading insurers, of all types, to establish this. He said that this is not exclusively an insurance problem, but one which affects every citizen and he outlined his legislative recommendations to combat the highway carnage. They include drivers license re-examination for all persons involved in traffic violations or accidents, mandatory driver education in high schools, rigid enforcement of traffic laws and an increase in the number of highway patrolmen.

Mr. Larson also said he thinks the new code, if enacted, will solve some of the public relations problems brought about by rate changes. He has personally wanted public hearings on all such matters. The proposed

(CONTINUED ON PAGE 15)

Florida Local Board Award Winners

The contest for the James C. McKay trophy of Florida Assn. of Insurance Agents for the most effective local board in the state was judged a tie between Broward county and Greater Miami. Mr. McKay, for whom the award is named, is still active in Tampa at the age of 90.

Fire prevention awards, announced by H. F. LeCrenier, West Palm Beach, state fire prevention chairman, in the different population brackets, went to the Plant City, Daytona Beach, Palm Beach and Jacksonville boards.

E. M. Clark, Tallahassee, accident prevention chairman, awarded trophies for this work, again in population divisions, to Winter Park, South Broward County (Hollywood), Broward County (Ft. Lauderdale) and St. Petersburg.

Dave Johnson Is Elected President, Coates In Line

Miami Beach Convention Another Big Success Despite Bad Weather

By JAMES C. O'CONNOR

MIAMI BEACH—For the second straight year, Florida Assn. of Insurance Agents held an enthusiastic, successful convention at the Fontainebleau Hotel here. Despite the handicap of torrential rains Friday and Saturday—and far from good weather Thursday—the association managed to break its sensational attendance record of last year by an eyelash—1,007, compared with 1,002 in 1957—and everyone had a good time and participated wholeheartedly in an excellent program which was beautifully conducted by President E. F. Wise of Orlando. Since humans cannot control weather, the feeling was unanimous that nothing more could have been asked of Mr. Wise, his fellow officers, the convention committee members and the energetic, competent and well-liked executive secretary, T. C. Johnson of Tampa.

Coates Is 1st V-P

Dave Johnson, Pensacola, was elected president, to the surprise of no one. Head of the potent Fisher-Brown agency and thus successor to the late Hunter Brown, past president of both the Florida and National Assns. of Insurance Agents, Mr. Johnson has been a capable wheelhorse of the association, carrying the ball on literally hundreds of important assignments. N. D. Coates, Miami, moved up to first vice-president and heir apparent. L. U. Hutchinson, Orlando, who has been a director and who did yeoman work as chairman of the speakers bureau committee, started up the ladder as second vice-president. C. M. Cubbage, Jacksonville, was reelected state national director. Tom C. Johnson's job is not elective, but it was obvious that, if he ever ceases to be executive secretary, it will not be initiated by any officer, director or member of the Florida association.

D. C. Haynes, Ft. Pierce; G. H. Sweet, Miami, and J. D. Bailey, St. Augustine, were elected directors. Holdover directors are E. F. Cannon Jr., Gainesville, immediate past president; E. M. Clark, Tallahassee; J. K. King, Ft. Lauderdale; Irving Klepper, Jacksonville; J. H. Lumley, Venice; J. M. Newton, St. Petersburg; John Rankin, Tampa, and permanently an honorary member of the board, the beloved L. P. McCord of Jacksonville.

On every count, the Florida association is in excellent shape. Membership is up to 925, compared with 797 a year ago, and Mr. Wise said in his report that the goal of 1,000 should be reached by fall. Last year the association amended its membership requirements to admit mixed agencies. Mr. Wise said frankly that this change was not directly responsible for many new members—a point echoed several

(CONTINUED ON NEXT PAGE)

times at the local board conference—but, because of market conditions which had forced many agents to change their representation, it kept the association from a serious loss of members.

For geographical reasons, the Florida agents will meet in Jacksonville next year, but will return to the Fontainebleau in 1960. Although it means a long trip for many members, this luxury spot is most popular with the Floridians, attested by two consecutive record breaking turnouts.

A resolution praised the administration of Commissioner Larson and his staff and particularly commended his work in reorganization of the insurance department and recodification of the insurance laws. Mr. Larson has had the sympathy of the agents during the several rows in which he was involved since the last meeting and he had a prominent spot on the Friday panel on the present and future of the business. His presentation and explanation of the department's policies made a decided hit and got some favorable local publicity.

Ask End To Fractions

The only other resolution of consequence asked Florida Rating & Inspection Bureau to help agents reduce office costs by eliminating tenths of cents in rate calculations and by publishing combined fire and extended coverage rates.

Although no official action was taken at this meeting, it was obvious that the Florida agents are solidly behind the NAIA advertising campaign. Mr. Wise reported that Florida reached 92% of its quota last year, putting it in the top five states. The campaign was favorably commented on many times at the local board session and a

number of local tie-ins were reported. Consequently, F. E. Schaffer, vice-president Doremus & Co., NAIA's advertising agency, had a large and interested audience Saturday morning when he discussed the program. He showed several advertisements which will run next fall and played several kinescopes from the television series. He also said Doremus & Co. is analyzing the advertising of direct writers and he thinks some vulnerable spots have been found.

John Ryan, Miami Beach, district manager Southern Bell Telephone, discussed business telephone techniques at the same session.

Final speaker Saturday afternoon was Jack Nisbet, Columbus, O., sales consultant, who rang the bell with his talk titled "It's Fun to Sell."

Entertainment Plentiful And Good At Miami Beach

The social side of Florida Assn. of Insurance Agents meeting at Miami Beach was, as usual, highly successful. Festivities opened with a buffet dinner Thursday evening, followed by entertainment at which Secretary T. C. Johnson distinguished himself as master of ceremonies. Canal sponsored a dance Friday evening and Saturday the crowded banquet was followed by a top flight floor show and dancing until the small hours. American Equity, Home Underwriters and State Fire & Casualty contributed to this feature. Randall & Hebard, Jacksonville general agents, maintained a coffee and doughnut bar and company headquarters abounded throughout the Fontainebleau.

Mrs. N. D. Coates, Miami, was chairman of the ladies entertainment committee, which sponsored a luncheon Friday and also made several swimming pool cabanas available.

Reviews Form Changes, Florida Agents Discuss Says More Will Come New Booklet, Emblem

In his talk titled "Policy Bends and Trends" at the closing session of Florida Assn. of Insurance Agents at Miami Beach last week, J. C. O'Connor, Cincinnati, executive editor *Fire, Casualty & Surety Bulletins*, outlined recent changes in coverage, including the new family automobile policy and the development of nuclear energy coverage and nuclear energy exclusions in liability and property insurance policies. He said that other major impending developments are the consolidation of dwelling package policies and a complete revision of business interruption forms.

Looking to the future, Mr. O'Connor said the multiple line trend is firmly established and he is sure that there will be more and more "packages"—no matter what they may be officially titled—involving combinations of property, liability, life and accident and sickness insurance. He offered the personal opinion that this would have been more evident now if New York laws had permitted life insurance companies to acquire fire-casualty companies, because life insurance executives are extremely conscious of this field, whereas property-liability insurers which have obtained control of life companies have been more conservative in their approach, but he is sure the trend is unmistakable and cannot be sidetracked permanently. Without question, the specialty or "captive agent" competitors are aiming in this direction, so this will force the agency companies and their agents to do the same.

Continue Radical Approach

Mr. O'Connor said the detail changes in the family automobile policy were pretty much as expected, but he thinks it is significant that the policy itself, with its radical approach, was continued. Many people have objected to the whole idea of the policy, which, in effect, provides a species of comprehensive automobile liability insurance for the average family and which has been denounced as unworkable. It now appears that the insurance business has firmly committed itself to this approach and insurance men must learn to live with it, whether they like it or not.

There are two interesting points in the nuclear energy situation, Mr. O'Connor said. The limited exclusion in the family auto policy, comprehensive personal liability policy and dwelling package policies has the novel approach of making itself dependent upon the coverage of someone else's insurance. The new endorsement for fire policies, now approved in several states and scheduled for nationwide filing, takes the technical form of an explanation or definition, rather than an exclusion. If any major losses occur, both these experiments could be the subject of historic court decisions.

Mr. O'Connor said many insurance men wish that, with all the troubles the insurance business is having, there could be a "moratorium" on policy changes. He does not think this is possible, simply because the property and casualty business has a "bear by the tail." An unprecedented number of new and revolutionary forms have been introduced in the last few years. Every new form develops "bugs" in actual use and these must be corrected. So, no matter what happens elsewhere, the business cannot escape a period of form correction, and that is happening now and will of necessity go on for several years to come.

The second insurance buyers' booklet of Florida Assn. of Insurance Agents—this one for municipalities—is ready for distribution. When he announced this at the Miami Beach meeting, T. C. Johnson, Tampa, secretary of the association, asked local boards and individual agents to let him know how they want it distributed in their communities. Subject to the members' wishes, the association will mail a copy to the mayor or city manager or it can be delivered personally by local agents.

The first booklet, on school board insurance, appeared last year and the third, for county governments, is in preparation. Mr. Johnson said that the association is also working on insurance guides for attorneys and physicians.

Irving Klepper, Jacksonville, chairman advertising committee, asked for opinions on two proposed emblems for the association, both of which incorporate the "Big I." The Florida association will adopt a new emblem and Mr. Klepper urged each local board to adopt the same design for its use.

Novel Attendance Features

Florida Assn. of Insurance Agents had two interesting and well-received variations from the usual attendance prize setup. At each session every person sitting in the front row was given a prize. The plan worked beautifully, keeping the front row filled, in contrast to the vacancies there at most meetings.

There were two groups of attendance prizes, one for agents, donated by companies and general agencies, and the other for company men donated by local boards and individual agents. There were separate drawings and the prizes were both numerous and high in quality.

Value Of "Big I" Pin

C. M. Cubbage, Jacksonville, state national director Florida Assn. of Insurance Agents, was wearing the National Assn. of Insurance Agents lapel pin with the "Big I" insignia. He said at the local board conference that, in a month's time, at least 100 people have asked him what it means. Of course, he told each person all about the independent agent. Mr. Cubbage said his experience should induce every NAIA member to get and wear a pin.

Insurance Underwriters Assn. of Jefferson County (Wis.) was host to 98 county highway department employees at its annual safety night program.



Three of the speakers at the Florida agents' meeting, from the left: W. C. Jansen, president of Hartford Accident; Arthur M. O'Connell, prominent Cincinnati agent, and superintendent Arthur I. Vorys of Ohio.

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IRA YOUNGENTOB

Agency Supervisor

Florida Agents Offered Wealth Of Ideas At Crowded Local Board Forum

The local board workshop program, now an established feature of Florida Assn. of Insurance Agents meetings, played to a full house the day before the formal opening of the meeting at Miami Beach last week and brought out many constructive ideas. C. M. Cubbage, Jacksonville, state national director and past president of the association, did an excellent job as moderator and added a number of pertinent and well expressed ideas of his own.

Before calling upon the panel of local board officers and state committee chairman, Mr. Cubbage laid down his own ideas of minimum standards for a board and minced no words. First, he said, a board must have regular meetings—at least once a month. Then, the meetings should consider nothing but insurance. Once in a while a political speaker may be necessary or it may be advisable to devote an occasional meeting to some matter of public service, but, in general, Mr. Cubbage was scornful of meetings devoted to anything but insurance. There are plenty of field men, general agents and local agents who can give good, interesting and helpful talks on insurance matters and a board should get them for its meetings. While many of the speakers who followed Mr. Cubbage did not buy this idea 100%, all agreed with Mr. Cubbage in principle—that the great majority of meetings should be concerned strictly with insurance.

Mr. Cubbage came out strongly for co-extensive membership, local, state and national. He said any board worth

its name should get back of public service programs—fire prevention, accident prevention, etc. It should also sponsor speakers on insurance before other groups. The state association desperately needs leaders and they should be developed by getting as many local board members as is reasonably possible active on committees. New members should be a continuing activity of every board. Mr. Cubbage expressed no liking for the board which regards itself as a closed corporation, tries to build a fence around its business locally and then the members of which cry about competition. Starting with those minimum standards, Mr. Cubbage said that the sky is the limit on a board's objectives.

Stresses Fire Prevention

H. F. LeCrenier, West Palm Beach, state fire prevention chairman, reminded his audience that Florida has won the National Board award for fire prevention for two years running. He said that fire prevention is a most satisfying activity, something which makes an insurance man feel he is doing something really worth while for his community. The big challenge, he said, is to resist the temptation to forget about the matter after one big week. To help coordinate these activities, Mr. LeCrenier said that the association is setting up seven zones in the state, each with an area chairman who will work with boards in his territory. The committee will issue monthly a fire prevention statement which can be given local papers.

Robert Ross, Ft. Lauderdale, presi-

dent Broward county board, spoke for a board which has very little income, distinguished from those which have considerable money from insurance on public business. Mr. Ross's board has annual dues of \$40, which includes one meal each month, and outside income of only a little more than \$500 a year. Under those conditions, the Broward county board increased its membership from 28 to 42 last year. Mr. Ross said that, while his board, following the state association action last year, changed its by-laws to make mixed agencies eligible, this had little to do with the increase. Only two or three of the new members would have been ineligible under the old rules. Instead, the Ft. Lauderdale board members did a personal selling job, getting out and calling on every prospect. Mr. Ross observed that most agents are hesitant about asking to join and must be asked, instead. Also, he said, too many board members do not know exactly what are the advantages of membership—they have been members for years more or less out of habit or they joined because of a vague idea that it is a good thing. Every board should have an outline of what it, the state and the national associations do for members and the insurance business and it should be given members regularly.

Public Relations Achievements

On the public relations side, Mr. Ross said the Ft. Lauderdale board has worked with local newspapers and civic clubs, furnished material on current news stories with an insurance background and had a newspaper man as a speaker at a board meeting. It used local newspaper advertising, featuring the NAIA "Big I" and

(CONTINUED ON PAGE 26)

Larson Wins Acclaim From Florida Agents

(CONTINUED FROM PAGE 13)

legislation will authorize public hearings in case of any objection to a filing. It also provides for a 15 day period following a filing during which the department may study it and the filing will be kept confidential. After this, there will be another 15 day period during which the filing will be available to the public for any objections and it may not become effective until after the second 15 day period.

Casualty Business Sick

Mr. Jansen, reminding his audience that casualty insurance is the newest phase of the business—about as old as the Florida association—said it is the sickest branch of insurance now and that the problem is both to cure it and to keep it within the American agency system. There is nothing divine about the agency system and it certainly should be subject to scrutiny, but it has been a successful system and Mr. Jansen, his company and many other companies believe it in whole-heartedly. Much of the trouble, Mr. Jansen believes, stems from the fact that the casualty business has been improvising, instead of planning. The market has changed radically. The average wage earner is now an important buyer of casualty insurance, but the agents and their companies are not equipped to take care of him. In Mr. Jansen's opinion, even if independent agency companies had the lowest price, they still would not be selling much of this market, because of their own merchandising shortcomings.

Research, Mr. Jansen said, is the

(CONTINUED ON NEXT PAGE)



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key to the problem. There is unquestionably a bad lack of communications between agents and their companies. Pointing out the money spent for research by other businesses, including life insurance, Mr. Jainsen urged the formation of a research organization, on a permanent basis. It would, he thinks, solve the communications problem. Agents complain about "unilateral action by companies and Mr. Jainsen said he is in sympathy with them, but, under the present setup, nothing can be done about it. With a research organization, agents could

deposit their complaints and suggestions, knowing they would be carefully considered and not brushed off by a previously determined policy. Whatever the organization reported as a fact, both agents and companies would know the report was based on knowledge and not on prejudice and consequently would have confidence in the report.

O'Connell Advocates Research

Mr. O'Connell partially supported Mr. Jainsen's ideas about an unbiased research organization, though his ap-

proach was different. He said that it has suddenly become popular to regard agents as problem children—every convention program has a spot to discuss what is wrong with the agency system. Agents are being called lazy, overpaid, unprogressive and what have you and are being told they should work harder for less money. But, for every agent, good, bad and indifferent, there is the insurance company which appointed him and without which he could not be an agent.

The term "independent agent" is a contradiction, Mr. O'Connell said. An

agent cannot exist without companies and he personally deplores the deterioration in relations between agents and companies. He blamed much of this on the existence of bureaus and on "bureau thinking," naming several well known company organizations and not praising them. What the business needs, he said, is for top ranking company executives to recapture their leadership, work with agents, adopt statistical measures which will tell them where they stand without delay and use their own common sense and courage for the common good.

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and so is your need for adequate insurance. For dwellings alone, values are up about 70% in the last eight years. Are you safe?

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find out the actual replacement value of your home and all your furnishings and personal possessions at today's prices.

Then bring your protection up to date. Remember: because your Maryland agent knows his business, it's good business for you to know him.

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Another striking advertisement to help build more business for the local agent or broker by dramatizing the importance of insurance to value.

Agency Operations Ideas Given At Florida Parley

(CONTINUED FROM PAGE 13)

important, a covenant not to compete if the solicitor leaves the agency.

Mr. Reynolds said he tries to sell insurance and do very little else in his office, leaving other matters to competent girls. He never carries a manual, seldom calls the rating bureau, never signs nor checks a policy and gives one office girl complete authority on purchase of supplies, always following her recommendations completely. If employees make mistakes, they eventually learn of them, but Mr. Reynolds said it is amazing how much responsibility people will absorb if they are just given the chance.

Boosts Machine Operation

Under the title "Agency Animation," Mr. Hutchinson advocated every possible and reasonable use of machines. He briefly described the functions and advantages of postage meters, mail openers, envelope sealers, postal scales, time and date stamps, copying machines, duplicating machines, adding machines and other calculators, addressing machines, dictating machines, electric and automatic typewriters, check writers, telephone answering devices and new filing systems.

Mr. Ross urged agents to keep up with all developments, read trade papers and services carefully and push the new coverages. Looking to the future, he said he would like to see a subscription policy under which a number of companies would participate on a large line, an industrial property policy which would cover buildings, machinery, personal property, automobiles and all liability; continuous policies, certificates based on policies on file with the insurance department, simple calculation of installment premiums, single liability limits, automatic cancellation for non-payment and a combined fire and extended coverage rate.

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Six Claim Managers Named By Travelers

Travelers has appointed the following claim managers: George A. Williams, Sacramento; Francis E. O'Meara, Rochester, N. Y.; Edmund F. McClarnon, New York City; George A. Groff, Albany, N. Y.; Donald F. Fairbanks, Manchester, N. H., and Clarence H. Sparks, Fresno.

Raymond H. Barrett at Harrisburg, Pa.; and Jeremiah F. McWilliams, and Glenn C. Downey, both at Pittsburgh, were named supervising adjusters.

F&C Institute At U. Of Colorado Set

Colorado Insurers Assn. and University of Colorado have scheduled their annual fire and casualty insurance institute at the Boulder campus, June 17-19. In addition to sessions on new A&S coverages and recent developments in comprehensive general liability, the institute will primarily concern itself with package policies. "Personal Package Forms—1958 Model" is the first morning's topic, followed in the afternoon by discussions led by H. F. Perlet, general manager Multi-Peril Insurance Conference; Robert Harmon, assistant manager Mountain States Inspection Bureau, and Edward C. Higgins, state agent Aetna Casualty. Regarding the new package forms, the institute stated that it is hopeful these forms are agreed upon prior to the opening of the school, or, if this is impossible, that there will be sufficient information available so that members of the institute may be prepared for release of the forms later.

The afternoon of the second day will feature a talk by William O. Adams, director sales training school, Denver, entitled "Word Portrait of a Good Salesman." This will be followed by A&S workshop sessions led by Bernard S. Rosen, State Mutual Life, and C. G. Huskinson, manager North America.

The final day's topic is "Comprehensive General Liability—Pitfalls and Profits." Discussion will be led by J. D. Honeywell, assistant secretary New Amsterdam Casualty; John Murphy, casualty underwriting manager U.S.F.&G., Denver; and William R. Kersten, Van Schaack & Co., Denver.

Employers Names Parris

Employers Liability group has appointed Thomas G. Parris superintendent of middle department territory claims in Philadelphia. He succeeds Richard L. Goerwitz, who is retiring because of ill health.

Mr. Parris has been with the group since 1928. He served as superintendent of the Harrisburg and Pittsburgh sub-claim departments and since 1952 has been assistant superintendent of claims at Philadelphia.

IAAHU Ready To Vote On New Constitution

A new constitution and by-laws will be on the voting docket at the annual meeting of International Assn. of A&H Underwriters, June 11-14, at Los Angeles. John Galloway, Provident L&A, Birmingham, has prepared a draft that has been circulated to presidents and secretaries of local and state associations.

Mr. Galloway, a past president of IAAHU, currently a board member and head of DITC, is the organization's parliamentarian. He has gone through records, former constitutions and by-laws to gather practices, customs and written procedures into one up-dated instrument.

The new constitution calls for establishment of an office of president-elect and two more vice-presidents to insure seasoned leadership. Other changes concern reelection, tenure of office, travel allowance and definition of responsibility for the board member-zone chairmen, officers and managing director.

The meeting, first to be held on the west coast, will have a record attendance of 400-500 from indications of advance registration.

Hudson County (N. J.) Assn. of Insurance Agents will hold its annual outing at Andover June 18.

Casualty and Surety Club of New York will hold its annual golf tournament at Baltusrol golf club Springfield, N. J., June 16.

Mass. Agents Plan School

Massachusetts Assn. of Insurance Agents will hold its summer insurance seminar at the University of Massachusetts, Amherst, June 11-13.

Bala-Cynwyd, Pa., was inspected by Underwriters Club of Philadelphia. Truman Green of Agricultural and Robert England of Travelers were co-chairmen.

New Johnson & Higgins V-P

George T. Cowan has been elected a vice-president of Johnson & Higgins, New York. He has been with the company since 1942 and as an account executive specializing in insurance for banks has developed several new coverages especially for them.

Previously he was with Chase National Bank 14 years where he became an insurance supervisor.

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Chicago Insurance Women Mark Natl. Ins. Women's Day

Insurance Distaff Executives Assn. of Chicago, affiliated with National Assn. of Insurance Women, observed National Insurance Women's Day, proclaimed by Gov. Stratton of Illinois and governors of many other states, with a luncheon at the Palmer House in Chicago. About 400 persons attended, including the Chicago women's employers, members of the insurance department and other representatives of the insurance industry.

Guest speaker was Mrs. Frances Runk, president of National Assn. of Insurance Women, who was on from Houston for the occasion. Speaking on "The Women's Role in the Insurance Industry," Mrs. Runk said that "wrong and hastily formed opinions are sometimes held of us. We are career women, but we are not trying to usurp men's place. As professional women, however, we should be able to step in in an emergency. We must have the kind of education to give us the capability of doing a job for the executives in our business."

"We Accept The Responsibility"

This is the thought behind the educational program of the national association, Mrs. Runk said. "Aiming in this direction, we accept the responsibility of setting uncompromising standards in our role as professional career women for the good of the business in general, our employers in particular, and the public."

Mrs. Runk went on to say that since quite a large number of people don't understand the women's role in insurance, it is up to the national and local associations to make them more aware of it through their activities and a continuing public relations program.

Other speakers on the program in-

cluded Philip S. Beebe, manager Hartford Fire; Waldo B. Ames, president Moore, Case, Lyman & Hubbard agency; Frances B. Martensen, also of Moore, Case and the distaff president; Anne F. Cate, Stewart, Keator, Kess-berger & Lederer agency, chairman award committee; Ruth C. Roos, Edward H. Walters & Co. agency, chairman education committee; Jane Robinson, Wolf, Collins agency, distaff vice-president, and Mildred M. Kirk, Hartford Fire, chairman of the luncheon committee.

FUAP Plans School For Agents At U. Of Cal.

An "Agents' School of the Far West" will be held at University of California, June 15 to July 26, sponsored by Fire Underwriters Assn. of the Pacific and the schools of business administration of the University and in cooperation with California Assn. of Insurance Agents.

The school will be a 6-week training course in the fundamentals and practices of all lines other than life. It will consist of a combination of lectures, seminars, and workshops. Classes will be held 5½ days per week, with three evening seminars each week and one field trip. Lectures will be supplemented with slides, motion pictures, and other audio-visual devices.

Registrants must have had a broker's or agent's license for at least six months, at least two years of university training or its equivalent, and must be associated with companies belonging to FUAP. Registration will be limited to 50.

Major topics will include principles and ethics, fire (including package dwelling), marine (ocean and inland), plate glass, burglary, multiple line (block), automobile, casualty, bonds, workmen's compensation, miscellaneous (aviation, boiler, and credit), A&S, programming (risk analysis and survey), salesmanship, office management, and human relations.

Coordinator of the school is Richard B. Masters, FUAP educational director.



New officers of Louisiana Assn. of Insurance Agents from south Louisiana area were honored by New Orleans Insurance Exchange at its monthly dinner there. Left to right are Felix L. Aucoin Jr., Vacherie, secretary - treasurer; A. L. Schlesinger Jr., president; Maurice J. Hartson Jr., NAIA executive committee man, and Herman Katten, vice-president.

Buyers Told Credit Coverage Now Vital

"Credit insurance can be a valuable profit tool for the manufacturer who wants to move ahead in today's uncertain market," James L. McCauley, executive vice-president American Credit Indemnity, declared at the spring insurance conference of the American Management Assn. in New York.

He said conservative manufacturers have turned down large orders because they are afraid of the risk of collecting large amounts and that credit insurance—which takes over at the moment of shipment and continues in force until the account is paid or a claim is filed—can make the large line safe. The manufacturer or wholesaler who cannot elevate his lines because his customers couldn't buy more than he is already shipping can either broaden his market in the regular field or try to penetrate those accounts whose credit ratings are less than first or second, he observed.

Decision Up To Management

"It is for management to decide how much of the latter market should be sold," Mr. McCauley stated. "There's a lot of good business there, but it requires special handling. These accounts on the whole don't pay so promptly. Closer scrutiny is necessary when the credit basis is reviewed—then the account has to be watched more closely as the terms of sale reach maturity. Credit insurance helps to stabilize the portion of this fringe market that the manufacturer chooses to sell, because customers will pay more promptly to a shipper whose accounts are insured. The slow pay debtor may feel he can put off the shipper, but when he has to stall both the shipper and the credit insurance company, he will most likely pay promptly."

He pointed out that even among customers in whom the shipper has utmost confidence there are occasional examples of insolvency. The shipper is likely to reason that if it could happen to that account, there might be other accounts on the books in the same condition. The natural conse-

quence is a reaction of panic and the shrinking of credit lines. However, the manufacturer who has credit insurance is not subject to panic in this case and takes the loss in stride.

Mr. McCauley said that his company has access to two business indices not available to most analysts. One is the volume and character of claims filed with its service departments. He reported filings are increasing, collections are more difficult, and loss payments are tending to increase. "However," he said, "collections are a darned sight better than they were back in the 1930s."

"The other 'vital index' is the information obtained as policies are renewed. This is an excellent index when it is compared with previous years. It not only shows general trends—it shows specific trends in lines of business."

Wins National Board Fire Prevention Week Contest

Paul Gorka of the Bronx, a 27-year old veteran of the Korean War, has been awarded first prize in the Fire Prevention Week poster contest of National Board.

The contest was conducted at the Art Students League among students in the class of Frank Reilly. Of the 60 competing, 18 were selected for honorable mention. Two others placed second and third, Miss Lydia Fruhauf of Geneva, Switzerland, and Roy Gifford, of Port Chester, N. Y.

The awards were presented to the winners by Lewis A. Vincent, general manager of the board. Mr. Gorka received a check for \$300, Miss Fruhauf \$200, and Mr. Gifford \$100. The winning poster pictures a fireman grimly determined to prevent fires. The slogan below the picture, "Stop Fires—Save Lives," is balanced by the appeal, "You Can Help."

The poster will be displayed throughout the country from 1,500,000 locations during Fire Prevention Week, Oct. 5-11.

S. Harrison Rollinson, president of O'Gorman & Young agency of Newark, was one of the principal speakers at a management conference on fire prevention and protection sponsored by Newark Safety Council at the Military Park hotel.



Shown at Insurance Distaff Executives Assn. of Chicago's luncheon marking the second annual National Insurance Women's Day, from left, Frances B. Martensen, IDEA president; F. Vernon Rosenthal, assistant director Illinois insurance department; Frances C. Runk of Houston, president National Assn. of Insurance Women; Philip S. Beebe, manager Hartford Fire, and Mildred M. Kirk, luncheon committee chairman.



New officers of Fire Insurance Examiners Assn. of Chicago shown at election meeting, from left, Robert A. Nordstrom, Centennial, secretary; Leonard H. Brooks, Planet, vice-president; Herbert E. Mase, Fireman's Fund, outgoing president, congratulating the new president, Charles P. Pechek of National Fire, and John De Lort, America Fore, treasurer.

H. Wm. Sadler Names E. H. Bauer To New Post

H. Wm. Sadler & Co. general agency of Chicago, has named Ernest H. Bauer Jr. to assist President Sadler in all phases of the business. Mr. Bauer, who was most recently with the Lloyds department at Fred S. James, began in insurance in 1946 with U.S.F. & G. at Chicago as an assistant fire underwriter. Later he went with Moore, Case, Lyman & Hubbard in the brokerage department and after that with Geo. F. Brown & Sons in the fire and reinsurance departments.



E. H. Bauer

Brokers' Directors Meet On Coast

Merlin J. Ladd of Boston was re-elected to serve a second term as president of National Assn. of Insurance Brokers at the recent annual meeting of the directors in Los Angeles. Ira J. Brander of Los Angeles was elected and Frank E. Mueller Jr. of Chicago was re-elected as vice-presidents. The treasurer, Alexander Heid Jr. of New York, was re-elected, as was the secretary, Barclay Shaw of the New York law firm of Palmer, Serles, Delaney, Shaw & Pomeroy.

New directors are Vincent Nuccio of Los Angeles; Clyde H. Scott of St. Louis, and Harry Healy of San Francisco.

Greatly expanded use of the continuous-type policy was recommended by the directors of NAIB for automobile, dwelling and other appropriate lines. It was said such a step by the stock companies would be an effective means of reducing expenses for the benefit of the insuring public. The brokers said prompt action should be taken, coupled with a separate agreement between insurer and broker that so-called "expirations" should remain the property of the broker.

Committee Presents Draft

The association's product research committee presented its draft of the general principles to be recommended to the Multi-Peril Insurance Conference in connection with the issuance of a new "package" dwelling policy.

The action of some companies in reducing coverage during the policy period also received attention. A resolution was adopted condemning this and urging the insurers involved to reinstate coverages which were withdrawn.

The board received a report from counsel as to the anti-trust aspects of the present investigation and the forthcoming public hearings by the Senate judiciary anti-trust and monopoly subcommittee. It was the consensus that such a hearing, if properly confined to the main issues, would give a favorable opportunity to show the many advantages of state regulation and at the same time lead to correction of certain rating and licensing restrictions.

The recent action by some companies in reducing commission on automobile lines provoked considerable discussion. It was agreed that commissions continue to be a matter of negotiation and agreement between the broker and the insurer and are also part of a study of the entire expense factor. The board received reports from its local associations as to individual action to be taken on the over-all problem.

The Visalia, Cal., branch of General Adjustment has moved to 318 South Willis street.

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Ill. Bureau Told Need For Rate Law Changes

(CONTINUED FROM PAGE 4)

million, which is about five times the underwriting loss for 1956 and nine times the loss of 1955. There was an underwriting profit in medical payments, collision and miscellaneous auto, but the BI loss doubled, PDL more than doubled, comprehensive increased slightly.

New car design with sculptured bodies and the increase in custom

features washed out the cushion in PHD, Mr. Icks opined. However, the full benefits of the rate increases of April and November have not yet been realized. It had been expected that BI would improve following the rate increases, but that it would be a slow improvement. So far there has been no improvement, and as a result "the industry seems to be unable to

decide which way it should go," he remarked. "Some companies are announcing that they will not accept more than 25% of an agent's volume in automobile insurance, others have restrictive rules one week and change them the next, and there is a turnover in underwriting personnel at the working level which destroys continuity in the underwriting approach."

A comparison of Illinois average rate and pure premium has been developed back to 1949. Pure premiums increased more rapidly than average

rate although there was a leveling tendency in 1956, he observed. Average rate increased sharply in 1957 as a result of the rate increase that year.

From this, Mr. Icks said, he has reached the conclusion that adoption of the multiple classification rating basis for private passenger cars marked the beginning of troubles the industry has today "Class 1 rates partially subsidize class 2 but not as much as class 2 needs. Stated another way, class 1 rates are slightly higher than they should be but class 2 are a great deal short. Until this problem is faced realistically, there can be no permanent improvement in the underwriting situation. Or, so their figures would seem to indicate."

Sums Up: No Improvement

Mr. Icks said in summary that there has been no appreciable improvement in auto experience notwithstanding the rate increases. If there is no improvement, the present rate level will not be adequate partly because of the classification distribution and partly because of the constantly increasing cost with no reduction in either frequency or severity.

Russell H. Matthias of Meyers & Matthias, Chicago, speaking on legislative trends, recalled that two years ago at the Midwestern Independent Statistical Service meeting he said there was a greater need for flexibility in the rating laws and that the problem would become more acute with the passage of compulsory auto insurance legislation. It was his contention then that rating laws should be liberalized before compulsory legislation gained general acceptance, to permit more freedom for insurers in rate making in order to present a trend toward uniformity.

"The national rating bureaus are now finding that under the all-industry rating law the power of the insurance supervisor over the rate making process is much too great and inflexible, with the result that his judgment is frequently substituted for that of insurance management," Mr. Matthias declared. "Political pressures dictate that automobile rates remain static regardless of the needs of the industry for higher rates. Under the rating laws, particularly with the advent of compulsory insurance, there will be an ever-increasing friction between insurance company management and departmental regulatory officials over the subject of automobile liability insurance rates. The only way that the industry can protect itself against over-regulation and arbitrary refusals to approve adequate rate increases where needed is to amend the rating laws so as to place in the hands of management more power with respect to making of rates and to remove from those laws the present authority of the supervisory officials to substitute their own judgment for that of management."

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Agents Told Bigness Blocks Communication

(CONTINUED FROM PAGE 4)

standing between agent and company.

The special agent is the most important cog in the insurance distribution wheel, he believes. In the old days, the special didn't go in to see the agent to find out what was going on in the business—he took that information to the agent. He was the line of communication that kept the ranks solid in the business for generations. Mr. White illustrated his point by calling attention to the problems created for agents by application of the uniform grading schedule to fire rates in Pennsylvania. The rating people, he said, admit there is something wrong. But they continue to apply the formula to town after town without removing the bugs which agents and field men have pointed out. This is another result of bigness.

He said those in the business have to alter the public concept of insurers as mountebanks astride heaps of money bags; they have to interpret the business to the press so the latter will

understand it and properly interpret it; they have to make state government realize the importance of the business and the need for capable men as commissioners with adequate financing for their departments.

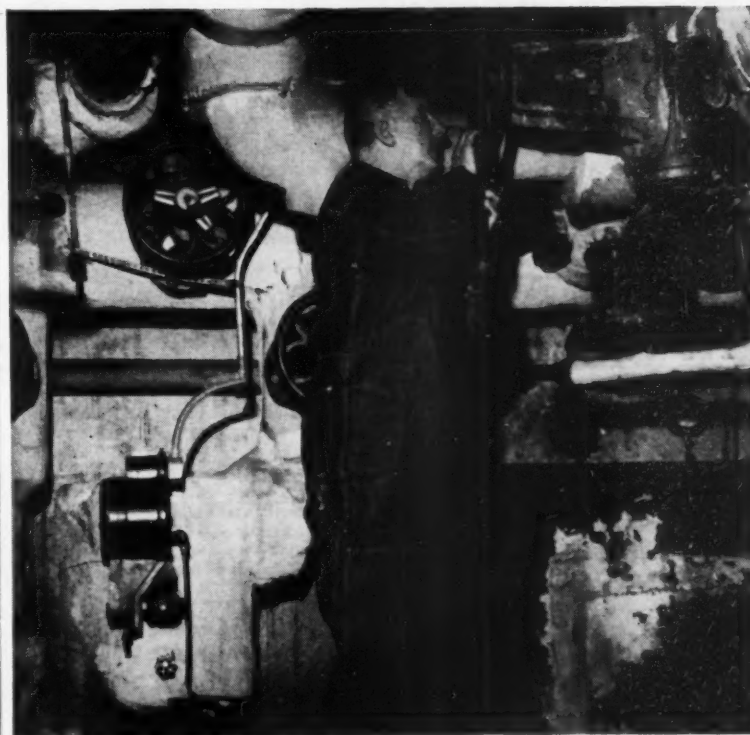
Too many company-agent squabbles are breaking out all over, he declared and called for soft-talking, sensible conferences of agents and insurers.

Also, he added, agents ought to do some serious independent thinking about themselves, their agencies and insured. Are the latter getting all they are entitled to, what they really want or something just as good?

Allstate Magazine Wins Award

Allstate's policyholder magazine *Home & Highway* has been given a certificate of outstanding merit by Industrial Editors Assn. of Chicago. The award is given for excellence of design and layout, typography, editorial design, writing, photography, and production. David L. Watt is editor.

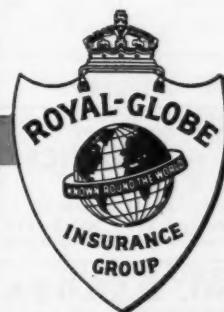
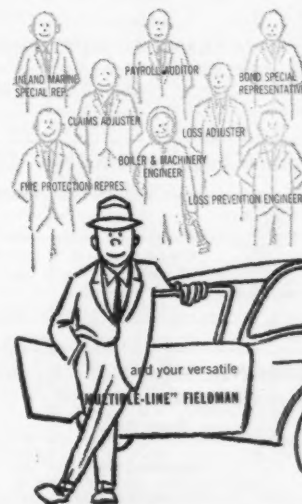
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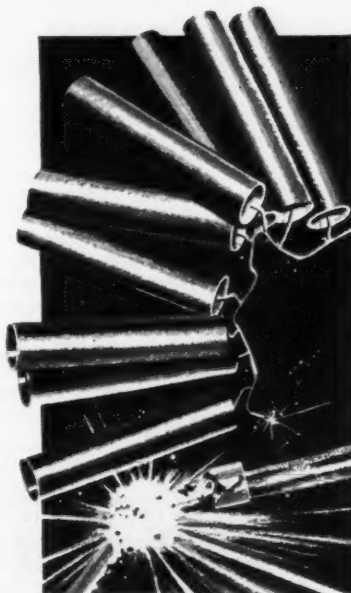
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Describes How WC Coverage Turns Into A&S

(CONTINUED FROM PAGE 11)

morning? In the absence of the former defense that there was no unusual strain, how do you prove that he did not hurt himself while doing your work?"

For five years prior to the Arkansas high court decision, Alcoa at its Arkansas plant had only one back case for compensation, but within two months after the supreme court decision became known to the employees' union, the plant received nine back cases. The union organized a special compensation committee to instruct its members and to advise them to seek compensation, he said.

"The men no longer come in and say that their backs hurt or have a 'stitch in them,'" he continued. "They

are getting educated. Now they have a slipped or ruptured or herniated disc. Always, the pain first occurred on the job."

To counter the growing number of dubious employment-connected claims, Alcoa has instituted rigid pre-employment health examinations which, in addition to the usual blood pressure, general examination, reflexes and urinalysis, now include back X-ray, audiometer tests and detailed eye testing. "Industry has already paid many compensation claims for loss of hearing, and the day may well come when we pay for falling hair and arches," Mr. Stout commented.

Speaker Notes Court Decisions

Under present court decisions, "a man can injure himself away from the plant," the speaker continued, "and if he but bears the pain until he gets on the plant proper, he can then claim injury while at work and be paid. If the employer is able to show that there was nothing about his normal work that could cause his disability, the employee has only to say that he was doing something else that could have caused it—this in spite of the law saying that the injury must arise out of and in the course of his employment. The courts are saying that anything he does while on his employer's property is a part of his employment, regardless of what instructions he may have been given regarding the limits of his job."

Insurance companies have been criticized for paying claims where it was doubtful that the injury was caused by the work done, Mr. Stout said. "And yet, who can blame them in the light of many decisions, of at least trying to avoid lawyers' fees and court costs where the court was certainly going to award compensation."

The remedy, he said, lies in amending the compensation act—either by legislative or initiated act—to define closely a compensable injury.

Osborn & Lange Elects Bennett Executive V-P

Osborn & Lange has elected the following officers: Howard H. Bennett, executive vice-president; Richard J. Annable, vice-president; John P. Meenahan, vice-president; Robert E. Trompeter, treasurer; Jean Hillyer, secretary; Shirley Blauth, assistant secretary, and Marian Fary, assistant secretary-treasurer.

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Illinois Agents, Field Men Hold 8 Regionals

By WILLIAM H. FARICY

Illinois Assn. of Insurance Agents and the state's field men began their annual educational program with a one-day meeting at Downers Grove, the first of eight from May 6-16 held successively at Dixon, Macomb, Lincoln, Danville, Robinson, Marion and Edwardsville. The caravan meetings, sponsored jointly by Illinois Fire Underwriters Assn., are designed to give independent agents constructive assistance on insurance problems through panel discussions, speakers and open forums.

Topics were the same but the speakers varied at each meeting. At Downers Grove, E. K. Apple, Home, Peoria, spoke on "Make Hay with a Survey," a talk on the crop hail and farm survey plan. Lawrence A. Berman, Illinois department, Chicago, in a talk on premium fund trust accounting, dealt with problems arising from the recent Illinois ruling requiring separate bank accounts for premiums received in trust.

Discuss Public Relations

James Paxton, Zion; Ralph Jeffries, Kankakee; and Brad West, Waukegan, discussed public relations, stressing the value of the Illinois speakers bureau, the "Big I" advertising tie-in for local agents, and the public relations kit prepared by the Illinois association, Western Underwriters Assn., and Assn. of Casualty & Surety Companies.

Inspection reports and their proper usage was the topic of Robert O. Smith, manager Retail Credit, Oak Park. Later a panel composed of Lawrence Murphy, Hartford Accident, Sterling; Paul Murphy, U.S.F.&G., Dixon, and John Donnelley, Hartford Accident, Chicago, discussed various aspects of liability coverage under OL&T, M&C, and garage liability policies.

The field men, in a series of fanciful interviews, summed up current situations and trends in the industry. L. W. Berg, Aetna Casualty, and C. J. Gunther, Hanover, both of Springfield, were the authors of the skit. "Starring" roles were taken by Lawrence J. McNeany, Aetna, Rockford; L. T. Braucht, Hawkeye, Rockford; Joseph Braun, U.S.F.&G., Dixon; Charles Massaro, Springfield F&M.; and Don Arenz, Aetna, Rockford.

Winding up the program was W. F. Kuffel, Chicago agent, who touched on many present problems and encouraged his hearers to state opinions on such topics as agents' commissions, company-agent relations and the future for the agency system. Several agents expressed themselves clearly and forcefully on these subjects, closing the meeting on a note of high interest.

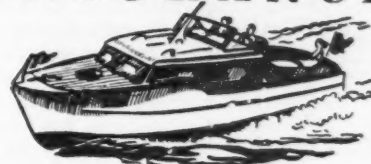
Iowa National Mutual Elects Hopkins President

G. W. Hopkins, general manager and senior vice-president of Iowa National Mutual, was elected general manager and president at the annual meeting to succeed Harry D. Durham, president for six years, who becomes chairman of the executive committee. Other officers were reelected.

King Is Gould & Gould Manager

Stewart G. King will join Gould & Gould as manager of surplus line department at Seattle. Mr. King has been with Hansen & Rowland for the past five years, and has had experience with London Lloyd's and American Associated.

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Editorial Comment

State Regulation Upheld Vs SEC

The decision of the federal appeals court at the District of Columbia in the suit of Securities & Exchange Commission against Variable Annuity Life Ins. Co. and Equity Annuity Life Ins. Co. contains material of interest to the fire and casualty business, which is being tested for jurisdictional purposes by Federal Trade Commission, and which is being investigated for a possible further federal intervention by Sen. O'Mahoney.

Judge Madden concluded that the McCarran act "showed an unmistakable determination on the part of Congress to leave the insurance business in the control of the states until Congress should in plain terms exert its power over some or all aspects of it. The definitions in the securities act and the investment company act indicate that if the insurance commis-

sioner of a state subjects the business to his supervision (as he did in this case) it is the business of insurance," the court declared.

"Unless we confine insurance by definition, to what has actually been done in the past under the name of insurance, and invent a new and distinctive name for this new business which so greatly resembles insurance, we should not contradict the insurance commissioners," Judge Madden contends. "The new business will need the expert and watchful supervision of these experts in insurance. We think the statutes lodge the responsibility with them."

Thus, as a jurisdictional matter, the appeals court has told SEC, a federal agency, to keep its hands off—that this is the province of state insurance commissioners.—K.O.F.

A Parable With A Twist

Advocates of automation as one of the solutions to the problem of cost reduction and effective centralization in the business should take heart from a case which recently came to our attention.

Back in the '30s a leading pretzel manufacturer was faced with the challenge of turning out his product by machine for greater volume to satisfy the market. Up to that time pretzel twisting was in the deft hands of an exalted guild whose craft, though humbler, had some of the aspects of diamond cutting or brain surgery. The delicacy required to manipulate a contrary mass of dough into the complicated symmetry of a pretzel fit to grace the nation's beer dispensaries was a gift entrusted to a rare few, and scoffers held that no machine could

replace them.

Nevertheless, the manufacturers pressed on, and, through dogged determination, plus the engineering skills of dedicated men, finally unveiled a contraption which could spew thousands of the tempting product while the displaced craftsmen, up to their knuckles in dough, were twisting a dozen or so. Thus automation triumphed.

If our readers wonder what this interesting development has to do with them and how the pretzel can be related to the insurance business, we respectfully suggest they consider the similarity of the shape both are in.

One complicated problem was conquered and the other, in due season, will succumb to the inevitable march of the machine.—John N. Cosgrove.

Personals

P. T. Morehead, assistant secretary and manager of the Los Angeles office of California Inspection Rating Bureau, is recuperating from an illness at Glendale Sanitarium & Hospital in Glendale, Cal.

John F. Kennedy, special agent of Home at Washington, D. C., was married to Miss Dolores Arasin at Mt. Carmel, Pa., the bride's home town.

Thomas E. Wood, head of the Cincinnati agency of that name, will receive an honorary degree of doctor of business administration from Rio Grande (O.) College next week.

J. Aubrey Reilly, assistant manager of Texas Insurance Checking Office, suffered a mild coronary occlusion. He will be absent from the office several weeks. He is at Seton hospital in Austin.

C. F. Codere, chairman of St. Paul F.&M. who has completed 50 years

service, was honored at a company dinner recently. He began with the company in 1908 as assistant secretary to the late F. R. Bigelow, then president. Mr. Codere became president in 1938 and chairman in 1948.

Charles A. Muller, supervising engineer of Aetna Fire group, has been elected chairman of the commercial vehicle section of Greater New York Safety Council.

Sen. **Leo H. Roy**, who operates an agency at Hancock, Mich., and has for several terms been chairman of the senate insurance committee, has announced he will not seek reelection to the Michigan legislature this fall.

Frank Schiff, president of Schiff, Terhune & Co., New York City brokers, has been appointed by President Eisenhower as finance chairman of the insurance industry for New England, including New York and New Jersey, for the U. S. committee for the United Nations.

Deaths

OSCAR J. BROWN, 74, widely known upstate New York trial attorney who specialized in insurance work, died at Syracuse, where he lived. For 18 years he was chairman of the lawyers and adjusters' conference committee of American Bar Assn., and he was past president of International Assn. of Insurance Counsel and of New York Automobile Assn. He also had been active in the insurance sections of American Bar Assn. and New York State Bar Assn. He maintained offices in Syracuse, Albany and Rochester. He was driving home after trying a case in court when he apparently suffered a heart attack. A truck driver who noticed the car weaving stopped when the car pulled off the road and found Mr. Brown slumped over the wheel with his foot on the brake. He was dead in two minutes.

ARTHUR R. KIEFER, 67, former Pittsburgh agent, died of a heart attack at Arlington, Fla., where he lived following his retirement in 1955.

JOHN C. OLSON, vice-president of Worthington, Sill & Morgan agency of Buffalo, died after a long illness. He had been with the agency for 48 years, starting as an office boy. For 30 years he was an officer, having been made treasurer in 1917. Mr. Olson was a past president of Buffalo Board of Fire Underwriters, the oldest local board in the country and predecessor of Greater Buffalo Assn. of Insurance Agents. A son, John J. Olson of Philadelphia, is with Aetna Fire.

WILLIAM G. McCOMAS, 70, retired special agent of Fidelity & Casualty in Tennessee, died at Nashville. He was in the Tennessee field for F.&C. from 1934 until 1953. Before that he was manager of F.&C. at Louisville.

STUART C. FISKEN, 53, Seattle broker with Williams & Maueth, died there following two months' illness.

O. W. MOORE, 77, secretary of National Automobile & Casualty, died at his home in Hemet, Cal. He had been with National A.&C. for 34 years as secretary and a director.

WESLEY W. MILLER, 71, operator of the agency bearing his name in South Bend, died after a short illness.

HENRY E. McCURRY, founder and president of Henry E. McCurry Inc., an insurance inspection agency of Detroit, died. He operated his business throughout Michigan for 45 years. Mr. McCurry was a life member of Michigan Bar Assn. and an honorary member of International Claims Assn. During his prolonged illness, his business was under the direction of Norbert A. Hafner, executive vice-president.

FRANK O. LANNING, 52, vice-president for claims of Markel Service, died in Cape May, N. J., while on vacation there. He suffered a heart attack at the home of friends. He was named vice-president last January. Previously he had been general field supervisor of branch claims offices. He joined the company in 1931 as a claims man at Philadelphia. He served as branch office manager at Memphis, Cleveland, Chicago, Jersey City, and New York before going to the head office in Richmond.

The NATIONAL UNDERWRITER



The National
Weekly Newspaper of
Fire and Casualty Insurance

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CINCINNATI 2, OHIO—420 E. Fourth St., Tel. Parkway 1-2140. Chas. P. Woods, Sales Director; George C. Roeding, Associate Manager; Arthur W. Riggs, Statistician.

CLEVELAND 14, OHIO—1367 E. 6th St., Lincoln Bldg., Rm. 208, CH 1-3396. Paul Blesi, Resident Manager.

DALLAS 1, TEXAS—309 Employers Insurance Bldg., Tel. Riverside 7-1127. Alfred E. Cadis, Southwestern Manager.

DENVER 2, COLO.—234 Commonwealth Bldg., Tel. Amherst 6-2725. J. Robert Ebelhardt, Rocky Mountain Manager.

DES MOINES 9, IOWA—327 Insurance Exchange Bldg., Tel. Atlantic 2-5966. D. J. Stevenson, Resident Manager.

DETROIT 26, MICH.—613 Lafayette Bldg., Tel. Woodward 5-2305. William J. Gessing, Manager for Indiana and Michigan.

INDIANAPOLIS 26, IND.—5634 N. Rural St., Tel. Clifford 3-2276. William J. Gessing, Manager for Indiana and Michigan.

MINNEAPOLIS 2, MINN.—1038 Northwestern Bank Bldg., Tel. Federal 2-5417. Howard J. Meyer, Northwestern Manager.

NEW YORK 38, N. Y.—17 John St., Room 1401, Tel. Beekman 3-3958. J. T. Curtin and Clarence W. Hammel, New York Managers.

NEWARK 2, N. J.—10 Commerce Ct., Tel. Market 3-7019. John F. McCormick, Resident Manager.

PHILADELPHIA 9, PA.—123 S. Broad St., Room 1027, Tel. Pennypacker 5-3706. Robert I. Zoll, Middle Atlantic Manager.

ST. LOUIS 2, MO.—221 Pierce Bldg., Tel. Chestnut 1-1634. Geo. E. Wohlgemuth, Resident Manager.

SAN FRANCISCO 4, CAL.—582 Market St., Tel. Exbrook 2-3054. Richard G. Hamilton, Pacific Coast Manager.

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FREDERICK J. SCHMIDT JR., 60, who had operated an agency at Saginaw, Mich., for more than 25 years, died. He started his insurance career in 1921 with Massachusetts Bonding. He had been general agent for Lincoln National Life for some years and had repeatedly won membership in that company's leading producer clubs.

Buckley Named To Head Dallas Insurance Club

L. Mortimer Buckley has been elected president of Insurance Club of Dallas, succeeding A. R. Buchel of Gulf. Other new officers are: Charles W. Morgan, General Adjustment Bureau, 1st vice-president; James E. Wallace, Wallace agency, 2nd vice-president; John Stuart, Employers Casualty, treasurer; and Philip L. Pitts, Fireman's Fund, secretary.

Entered Insurance In 1928

Mr. Buckley, general agent in north Texas for New England Mutual since 1945, started in insurance in 1928. He has been president of Chicago CLU chapter and became president of Chicago Life Underwriters Assn. in 1939. He went with New England Mutual in Chicago in 1940, and in 1942 went to Houston. In 1954 he was named a director of General Agents & Managers Conference of National Assn. of Life Underwriters. He was elected vice-chairman and in 1957 served as national chairman, as well as six years as state national committeeman. He has been a director, secretary, treasurer, chairman and is now president of Institute of Insurance Marketing at Southern Methodist.

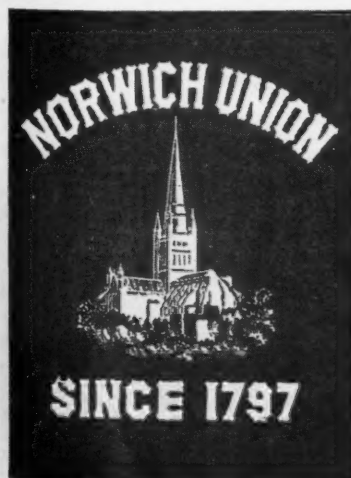
Crash Hull Value Exceeds \$1 Million

Value of the Capital Airlines Viscount which collided with a military jet trainer near Brunswick, Md., was in excess of \$1 million. The hull was insured in the London market.

Trinity Universal has elected Joseph M. Higginbotham III, son of the late J. M. Higginbotham, a director for 32 years, and Harry I. Seay Jr., president and treasurer Atlas Life, to the board.

New Orleans Insurance Exchange golf winners at its annual outing were Marion Kossler and Louis Bodenheimer Jr., local agents.

Independent Insurance Agents of Indianapolis held their first spring dinner dance at Highland Country Club May 23.



Hullet Cites Profits,

Losses In NBFU Report

(CONTINUED FROM PAGE 1)

quate."

He reviewed the basic services of National Board, such as evaluation of catastrophic potentials, including municipal reports and bulletins on new hazards, loss information data and activities of the arson department in the moral hazard field, and statistical



Kenneth E. Black



Lester S. Harvey

data reflecting recent and long term experience. "We cannot overestimate the value of such a facility and its ability to serve as spokesman for the membership," he declared.

Has Held Many Posts

Mr. Miller has been vice-president of National Board for the past two years. He has also served as chairman of the executive committee and of the conference and the fire prevention and engineering standards committees. He is also president and a director of Stock Company Assn., vice-president and a director of National Board Building Corp., past president of Eastern Underwriters Assn. and past chairman of Factory Insurance Assn.

Mr. Black, chairman of the executive committee since 1956, is also chairman of the National Board's special committee on industrial uses of atomic energy and of the committee on maps.

Mr. Harvey is a member of the executive, membership and laws committees, former chairman of the arson committee, and has served on the fire prevention and engineering standards and arson committees, the latter as chairman. He is a director of GAB.

Stocks

By H. W. Cornelius, Bacon, Whipple & Co.
135 S. LaSalle St., Chicago, May 27, 1958

	Bid	Asked
Aetna Casualty	134	138
Aetna Fire	65	66½
Aetna Life	185	190
Agricultural	24	27½
American Equitable	32½	34
American (N. J.)	26	27
American Motorists	11	12½
American Surety	16½	17½
Boston	31	32
Camden Fire	29¾	30¾
Continental Casualty	79½	81
Crum & Forster com.	55½	57
Federal	40¾	41¾
Fireman's Fund	50½	51½
General Reinsurance	54½	56
Glens Falls	29¾	30¾
Globe & Republic	17½	18½
Great American Fire	34½	35½
Hartford Fire	149½	152
Hanover Fire	37½	38½
Home	43	44
Ins. Co. of No. America	105	107
Maryland Casualty	32¾	33¾
Mass. Bonding	33	34
National Fire	79½	81
National Union	35¾	36¾
New Amsterdam Cas.	43½	44½
New Hampshire	38½	40
North River	32½	33½
Ohio Casualty	21	22½
Phoenix Conn.	64¾	65¾
Prov. Wash.	19½	20½
Reins. Corp. of N. Y.	14½	15½
Reliance	39¾	40¾
St. Paul F. & M.	45	46
Springfield F. & M.	47½	48½
Standard Accident	41½	42½
Travelers	74½	75½
U.S.F. & G.	57	58
U. S. Fire	26½	27½



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Many Ideas At Florida Local Board Session

(CONTINUED FROM PAGE 15)

names of members and only two members declined to participate. Asked from the floor about the income tax angle of advertising members' names, Mr. Ross said his board thinks it solved that problem by having a line between the main copy and the members' names, the paper billing each member for his listing and the board

paying only for the main space.

G. H. Sweet, Miami, said that his board had had some unfavorable publicity as a result of political issues, so it concentrated on safety work as an offset, employing professional public relations counsel. It sponsored a safety poster contest and distributed "Slow Down and Live" posters. For

its members the board had prepared, by professional personnel people, an employment kit, with an application, test blanks and other material for prospective employees and information on going wage scales for different jobs. This attracted much attention and Mr. Sweet got many request for copies.

E. M. Clark, Tallahassee, accident prevention committee chairman, urged cooperation in retaining the Assn. of Casualty & Surety Companies trophy for Florida. The association, he said will be a co-sponsor of the teen-age "roadayo" and, with the cooperation of local boards, will sponsor a teen-age highway safety poster contest, a child safety campaign, including bicycle checkups and safe bicycle riding, a Boy Scout safety campaign and the summer "Slow Down and Live" campaign. Mr. Clark urged the boards to elect their officers in advance of the state meeting, changing their by-laws if necessary, so the new president can attend the convention and the board will be fully organized before fall. He also asked each board to be sure the state association office is currently informed of its officers and its committee chairmen.

Describes Board's Activities

R. L. McCord, president Jacksonville Insurers Assn., described the activities of a board which has no financial problem, because of its income from public business. The Jacksonville board believes it should plow its money back into public service and has a committee for this purpose. It spent \$1,200 for raincoats and other equipment for school boy patrols and assisted a volunteer fire department in setting up a radio communication system. It increased its membership by 15, and Mr. McCord echoed Mr. Ross's stand that there is no substitute for the personal approach in membership work. A color map of the city and surrounding area, showing the different fire protection territories, has been helpful to members' offices and also to company and bureau offices. The Jacksonville board also advertised in a recent newspaper supplement based on the history of the city and got excellent coverage of its activities and importance to the city. It will do the same with a forthcoming supplement devoted to Jacksonville as an insurance center and expects excellent editorial cooperation.

R. E. Fowler, St. Petersburg, also spoke for a board which has considerable income and which faced a prob-

lem in getting new members. For years the board had had a non-returnable \$100 initiation fee, which was a stiff hurdle for agents new in the business. The St. Petersburg board reduced this to \$25 and, to be fair, made a proportionate refund to members who had come in during the past 3½ years. As a result, it added 23 members, making it the third in the state with a membership of 71. The board made a substantial contribution to the local schools, investing \$12,500 in an Aetna driving training unit, as a result of which the schools were able to cut the actual road time in driver training in half.

Discusses Attendance Problem

Louis Hawkins, West Palm Beach, discussed the attendance problem. It is admittedly difficult for a person operating a one-man agency to take the time to attend a meeting. In West Palm Beach, 53% of the board members are in that class, yet the board has averaged 65% attendance. Mr. Hawkins thinks it is important to meet the same day of the week and at the same time and, of course, to have programs which are good and of insurance interest. Because there have been so many controversial issues during the past year, about one in each three West Palm Beach meetings has been devoted to business, rather than to a speaker.

J. K. King, Ft. Lauderdale, showed a short cut which his office devised for figuring return premiums brought about by recent fire and extended coverage rate reductions. Those present liked it so much that T. C. Johnson, Tampa, association secretary, said he would bring it to the attention of the Florida Rating & Inspection Bureau for an official blessing.

Agency Sponsors Parley On WC Problems In Tenn., Va.

Approximately 150 industrialists, contractors, and other large employers from upper east Tennessee and southwest Virginia attended a conference on workmen's compensation in Kingsport, Tenn., sponsored by the Bennett & Edwards, local agency there.

Herbert R. Preston, vice-president of U.S.F.&G. spoke on "Today's Accident Is Tomorrow's Premium." James H. Hodges of the law firm of Hodges & Doughty, Knoxville, on "Problems of the Employer and the Insurer Under the Workmen's Compensation Law;" W. L. Robinson, claims examiner of the Virginia industrial organization and operation, and Dr. Logan T. Robertson, consultant in occupational health, Asheville, N. C., on "Cost Control Through Preventive Medicine."

Following the talks a panel discussion was moderated by W. F. Winders, industrial relations director of Tennessee Eastman Co.

Concern was expressed by many of those attending over the increasing liberality of courts in the area which administers the Tennessee law, particularly with reference to alleged back cases. Attention was called to a survey of one of the local courts which disclosed that 56% of all of the awards made last year were for so-called back injuries.

Youngstown (O.) Assn. Elects

Youngstown (O.) Assn. of Insurance Agents has elected Robert E. Mullane president and Donald P. Pipino, vice-president. The association has adopted a plan to wear lapel buttons signifying city traffic fatalities. When no deaths have occurred in the previous 24 hours, they will wear white buttons, when a death occurs, they will wear black buttons. This is part of the association's drive for increased safety consciousness.

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Lloyds of London Insurance Brokers with substantial American account establishing offices in Chicago and Dallas wish to appoint a Manager for each. Must be fully experienced in London procedure. Excellent terms and opportunity for right man. Interviews will be held in Chicago during week commencing June 2nd, and in Dallas during week commencing June 16. All replies will be treated in strictest confidence. Reply Box A-72, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

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MICHIGAN FIELD MAN

Stock company seeks man with Fire, Marine and Homeowners experience for Central and Southern Michigan. Prefer someone now established in Lansing-Jackson area with knowledge and ability to service and expand our established plant. Address Box A-75, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

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providing substantially higher commission potential available to agents who can spare a minimum of \$20,000 a year top grade fire lines. Write Box A-65, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

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Owner of minority interest in Chicago agency, having law and excellent insurance education with experience in direct production and administration, interested in purchasing substantial or entire interest in agency, preferably in Midwest town of 15,000 to 100,000 population. Reply in complete confidence to: Alexander Grant & Company, CPAs, One North La Salle St., Chicago 2, Illinois.

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Strong, multiple line, independent stock company with excellent facilities, has opening for a fieldman to develop State of South Carolina. The man for whom we are looking must be aggressive and desire to become affiliated with a company where his future is unlimited. Salary open. Write Box A-68, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

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Inland Marine man with some Ocean background including all lines Special Risks handling. Re-insurance experience. desires position with progressive organization. History includes Company Field and Home Office Management duties; also Supervising General Agency position. Age 34. Will re-locate. Reply Box A-74, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

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10 years experience as company fieldman and as a broker. All lines with a wealth of experience in Casualty and Surety production. Interested in Company, General Agency, or Local Agency. College Degree, age 36. Address Box A-77, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

2,000 At NFPA Chicago Annual Convention

(CONTINUED FROM PAGE 4)

window glass reduces heat radiation only slightly, but venetian blinds, insect screens and glass coatings are effective and common whitening and water in tests reduced radiant exposure by about 90%, he declared.

Capt. Trappe said that every day items such as lighter fuels, rubbing alcohol, matches, acetone, and toilet preparations in pressurized containers are a peril on flights. Many incidents have been reported which were possibly due to the presence of such dangerous articles in personal luggage. He asserted that domestic airlines have shied away from informing passengers about these hazards and said his committee feels they should have complete knowledge.

Critical Situation Today

Horatio Bond, chief engineer of NFPA asserted that the fire protection situation is more critical today than ever before because in many places engines and ladders are pooling with only one or two men aboard. There is plenty of fire fighting equipment, he noted, but too few hands to cope with blazes except in their early stages. He attributed this dearth to economy drives in most cities on public services and said each community should decide how good a fire fighting service it wants and whether it is willing to pay for it.

John A. Neale, chief engineer of National Board and retiring president of NFPA, said that industry's role in helping to draw up safety standards to regulate itself was a fine example of democracy in action.

The better elements in every industry realize that some standards of good practice are necessary to protect their own interests and the public. When that premise is accepted the industry seeks uniform country-wide standards so that it can operate nationally without local adaptations and differences. The industry seeks a group

which can sponsor such standards and virtually assure their acceptance, he declared and finds it in the NFPA.

Cy Harriman, president of Automatic Fire Alarm Assn., stated that homeowners are being victimized by sellers of worthless home alarm systems. He said that homeowners think their worries are over when they hang a "magic" gadget on the wall but actually are in more danger than before because they may discover their confidence is misplaced. He called for regulation of the problem and asked fire chiefs to be on the lookout for salesmen of such fraudulent junk.

E. G. Simpson, inspection engineer of Winnipeg, Manitoba, building commission, told how that city improved fire safety in its hotels.

Following ordinances and conferences with Manitoba Hotel Assn., hotel owners were ordered to comply with new regulations. All 52 hotels in Winnipeg now have automatic sprinklers throughout the structures including bedrooms, except in three cases, he reported. Completely enclosed stairways and protected elevator shafts have also been provided, and all electrical wiring and equipment has been inspected and replaced where defective. Mr. Simpson credited NFPA standards for guidance in the program.

G. J. Grabowski, product manager of Fenwal Inc., Ashland, Mass., said that industrial explosions may be controlled by a new protection system. He said the basic principle in the operation of this process is the pressure build up that precedes an explosion. This takes a measured, though infinitesimal, time and there is a brief opportunity to take action in one of several forms: Suppression by spraying a fire extinguishing agent, advanced inerting, venting the explosive forces, high-speed isolation or plant shutdown. The systems are based on an invention of the British Royal Aircraft Establishment.

Central Claims Men Elect Knipschild At Semi-Annual Meeting

Nuclear energy liability and radioactive contamination exclusions in the new family policy were discussed by D. Ross Bell, Standard of Tulsa, before home office claims managers representing 28 companies at the semi-annual meeting of Central Claim Executives Assn. this month.

Meeting in LeRoy, Ohio, the representatives also heard E. C. Vale, president Vale Technical Institute, discuss the problem of properly appraising auto damages. He presented a film entitled "Estimates in Action."

Robert S. Meskan, Security General, gave a demonstration of dictating equipment used by field adjusters. He described methods of securing statements from witnesses with this equipment and reported on several opinions governing the introduction of this type of evidence in court. L. F. Knipschild, Freepoint Ins. Co., discussed average reserves by line of coverage based upon returns from a questionnaire sent to all member companies.

Officers elected were: L. F. Knipschild, president; L. R. Monday, American General, vice-president, and M. L. McClanathan, Economy Fire & Casualty, secretary-treasurer.

A banquet concluded the two-day meeting, at which C. D. McVay, retired president Ohio Farmers, gave a talk.

National Board Issues New Property Cover Fact Book

National Board has issued a 40-page fact book relating to property insurance. It is intended for easy reference use by those who may write or talk about property insurance, publicize the business, or have occasion to quote facts and figures on catastrophes or other important fields of loss.

Single copies of the publication *Property Insurance Fact Book* are available on request to the National Board public relations department, 85 John street, New York.

and newer automobiles and the underwriting record has been bad, he said, but although there is no easy solution, better underwriting may help.

"Background of the 1958 Problem" was treated by Richard T. Kelly, Houston manager American Indemnity. The troubles are competition and not enough attention by agents and companies to the conditions affecting automobile insurance, he said. Inadequate rates are one element in a bad situation. He listed as basic factors in the problem the human desire to collect as much as possible, the legal action when lawyers appear before juries and ask for excessive payments, and inflation which has increased the cost of repairs. Agents are not responsible for the losses, he said, but many of them are not aware of the serious situation existing in automobile insurance. He cited the fact that repair costs since 1947 have increased 100%. He said that while it may not be that 15% of the drivers cause 85% of the accidents, he is sure that 50% of the drivers cause 100% of the accidents.

Things To Be Done

Myron F. Steves asked "Can you Do Anything About It?" As things that can be done, he listed completing an application giving all the information called for, and eliminating the flat cancellation. He would have the agent collect and pay the company in 30 days.

He asked that agents be better salesmen and call on clients. He spoke of direct writers and the fact that a high percentage of their buyers come into the office to buy. The policy of the Texas department has been good, he said, and he asked that insurance men in all phases of the business work as a team. Many automobiles are not correctly written, he stated, citing the result of a survey of conditions prevailing in auto writing. Mr. Steves asked agents to make an analytical study of their operations to ascertain the ratio of expense, the cost to them of flat cancellations, and the need for more prompt collection and payment to the companies.

"Where Will It Lead?"

"Where Will It Lead?" was treated by Fred A. Rhodes. He is not ready to give up on the automobile situation, he said. He spoke of ills which exist where there is compulsory auto, stating that this plan has not brought the results that "do gooders" expected. He pointed out that in Massachusetts automobile insurance has become a political football.

Mr. Rhodes emphasized the importance of seeing middle class people and telling them of services offered. He spoke of commission cuts and stated that reductions of 10% or 15% may mean a reduction in agents' income of 40%, and said that he cannot accept this reduction in his income. He advocated better selling methods, and the need to let people know how they make automobile rates.

The convention was put on by the 366 local insurance companies comprising the Houston Insurance Exchange, and Houston agents were hosts for the meeting. Marley Styner was general chairman.

Markel Service is opening a branch office at New Orleans, which will act as an underwriting service office for Louisiana.

Zurich has been elected a member of Surety Assn. of America, which brings total membership to 83 companies.

Cleveland Board Names D. S. McBride President

Cleveland board has elected Donald S. McBride president. He has served as vice-president during the past administration, and has been a member of the board of trustees since 1954.

Other officers named were: Paul R. Goldenbogen, vice - president, Joseph H. Bishop Jr., reelected secretary - treasurer for the ninth consecutive year and named executive vice-president.

Paul R. Whitbeck, retiring president, emphasized the expanded educational, safety and disciplinary programs of the board and commended the board's accomplishments, especially the fifth Cleveland I-Day and the sixth Cleveland Junior Fire Department program.

John W. Hemphill, president Ohio Assn. of Insurance Agents, was the principal speaker and urged 100% membership participation in the countrywide advertising program of NAIA.

The Longview, Wash., office of General Adjustment Bureau has been moved to 1210 Broadway.



D. S. McBride

Texas Agents Hold Annual At Houston

(CONTINUED FROM PAGE 2)

and are moving steadily forward every day.

"When we accepted these appointments," he went on, "we found the department in a deplorable state of disorganization, with morale very low, fear, suspicion and hysteria rampant, and with a backlog of work in some cases dating back for many years. To overcome this situation and get into normal operation was no small task. We believed it could be done, and think we have already restored the board to a level of average efficiency, and have laid the groundwork for building the best department in our state government."

Mr. Woodbury spoke of the national advertising program and assured the agents that it will do the job for them if they continue to support it. He stressed that the program is for the agents and merits their support. The companies are cooperating through their own advertising plans, he said.

One of the greatest needs in the local agency field is a truly professional service, he pointed out. He would have all local agents study so that they can give a truly professional service. He stressed the value of the CPCU work and the prestige it gives an agent.

Speaking of the expected entry of life companies into the fire and casu-

alty fields, Mr. Woodbury warned that the local agent who would render a real service and succeed must go to see his clients. He spoke of the fact that while agents fail to go and see people, these same people walk into the offices of direct writers and buy automobile insurance. He cited the fact that many in the middle income group have never been solicited for their insurance.

Mr. Woodbury was given a commemorative plaque at the banquet the evening of the first day, and Mrs. Woodbury was named "Mrs. Insurance of the Year" by unanimous vote.

Final session of the convention saw a film "Catastrophe 86—Hurricane Audrey," prepared by General Adjustment Bureau, which showed the destruction in Cameron, La. J. F. Miazza, who commented on the film, gave a summary of men employed, setting up of offices, losses paid, and restoration efforts.

The film was followed by a panel discussion, "Automobile—1958." James Q. Nicholson, moderator, estimated that 82% of Texas automobiles are now insured as a result of the Texas financial responsibility law, and that the premium on automobile insurance constitutes 35% to 40% of the casualty insurance premium. There are more

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